

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

Ministers may toughen Price Commission powers

Monday January 15 1979



NEWS SUMMARY BUSINESS GENERAL **UK hope** Two die of £15bn in new China Basque contracts violence • BRITAIN is hoping to sign a trade agreement with China which could be worth as much as £15bn following a visit there next month by Mr. Eric Varley, Industry Secretary.

Dividend core Explosive devices killed two paramilitary policemen in tha Basque country and a leading Basque separatist was injured in an assassination attempt.

res

T

So far this year ten policemen or soldiers have been assassi-nated, the militant Basque separartist organisation, ETA, claiming responsibility for six

Two extreme Right-wing organisations said they had attacked the ETA leader Jose Manual Popoaga Gallastequi. He was fired on from a passing van. Page 2

Syria and Iraq merger plan

Syria and Iraq are planning to form a single State "with one name, one flag, one national anthem and nine president who will be alternately Syrian and Iraqi " according to Arab diplomats.

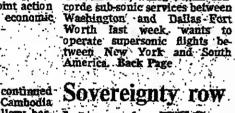
In October the two countries ended 10 years of hostility and signed a charter for joint action on political, military, economic and cultural matters.-

Cambodia barrage

Vietnamese Tortes continued their sweep across Cambodia and an hour-long artillery bar-rage was reported only 10 miles from the That border. International relief agencies in Thailand were prepering for an influx of refugees and wounded. Page 2

Shah warns

The Shah of Iran warned generals against staging a coup at least while the Bakhtiar Covernment remains in power. Page



looms in EEC EUROPEAN COMMIS

SIONERS are to discuss on January 24 a move to imprac-unitaterally a directive forming EEC members to notify Brussels of their financial transfers to lead to dashes with the British, French and Italian Governments on issues of sovereignty, Back

The agreement, covering about

five years, would signal China's desire to nominate British in-

dustry as a major contractor at

the start of its hnge industriali-

Britain has already said that

an industrial parkage is an

sation programme.

says a survey. Page 3

The setting up of a nine man Research Council brought the PRESSURE by the Carter

Cabinet to start search for

CONTINENTAL SELLING PRICES AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 500; NETHERLANDS FI 2.0; NORWAY Kr 3.5; PORTUGAL Bec 25; SPAIN

consensus on pay

By RICHARD EVANS and CHRISTIAN TYLER

The Cabinet will meet today and later in the week, not only to assess the heavily disrupted industrial scene, but also to seek a way out of a confrontation with the trade unions that could spell electoral disaster for the Labour Party.

There were increasing signs last night that two issues which Ministers are determined not flexible wage negotiations for the lower paid—are heing resur-rected immediately in an attempt to reach a more general

essential counterpart to a sale of Harrier Jump jets and a number of contracts, including steet plant modernisation, are under discussion. Back Page consensus between Government and unions. For even though the road

No. 27.764

haulage and rail disputes are being given top priority. Minis-• IRON FOUNDING industry, ters are also calculating the price of a peaceful wage settlenow facing a "rather depressing picture," can expect about \$400m invested in new projects ment with the public service unions. The threat to the pay by 1980 but must move to higher added value products to policy and to the Government's pre-election credibility bere is attract further investments, regarded as an even greater worry than the crisis in the

• GILT-EDGED, investors 'are transport industries. The Government is counting moderately gloomy about the UK economy's prospects this on a fairly speedy end to the lorry drivers' strike. This will year, although cautiously optidepend on the success over the mistic about interest rates, says next few days of the Transport and General Workers' Union a market opinion survey. Page 3 instructions to stop secondary • BRANIFF, which began Canpicketing, and its ability to control the negotiationa now that the strike is official. These hopes are pinned largely on the effect of nressure from other sections of the

GOVERNMENT arrangements

port Secretary, said that so far

union, from other unloos whose members will bear the brunt of lay-offs throughout Industry and from public opinion which Ministers are determined to

Essential supplies plans

working 'reasonably well'

- BY HAZEL DUFFY AND ALAN PIKE

With this bopc in mind, out at 12 per cent. "That action in one way have been pushed actively by to give the Road Haulage Asso- aoother would be hound to in-the TUC-tougher powers for clation any encouragement to jure the Position of other the Price Commission and more improve its 15 per cent offer. workers, either by having taxes The threat of tougher action raised or hy cuts in public from the Price Commission will

also he kept in play. The initial Cabinet aim is to survive the Commons censure debate tomorrow, which looks increasingly probable because of support from the Nation- impact by medifying the safe-alists and to avoid the declara- guard clauses for company tion of a state of emergency in profits. order to keep the industrial climate as cool as possible. They were originally inserted

into the legislation by the Con-Ministers are treating the servatives, and Mr. Roy Hattersley, Prices Secretary, bas debate as a matter of confidence. This means that if the vote is long wished to remove or alter lost hecause of the opposition them. of all minority parties, there would be a February Geoeral His intention was spelt out during the abortive discussions

with TUC leaders before Christwas, and underlined by other Mioisters at the weekend. The issue is likely to he discussed hy Cahinet today. At present, it is hy no means certain that there would be a Parliamentary majority for removing the safeguard clauses.

The hest hope for the Government lies in gaining the hacking of the Liberals, and there are expected to be informal contacts made this week.

In the public services, where Continuer on back page Editorial comment. Page 10

rail strike. secretary of the National Union of Railwaymen, said last night that the plans for big job cuts in all groups of staff in British Rail would he presented to him in time for an executive meeting of the union later in the expenditure," he warned. In order to maintain some day. The proposals were appar-ently formulated by BR leaders

pressure on the private sector now that Parliament bas rejected the use of sanctions. Ministers arc reviving plans to plans. give the Price Commission more

Failure

British Rail hopes that, if sufficient detail of its plans can Roy be given to the union, agree ment with the train drivers' union on its own honus deal may yet he reached in time to stave off the threatened strike. The Associated Society of Locomotive Engineers and Firemen announced last Friday that the strike on Tuesday and Thursday of this week would go ahead because of the failure to reach agreement on a honus deal.

Rail men

to discuss

20,000

British Rail said yesterday that unless the strike was called off there would be no train service from 22,00 hours tonight until Wednesday morning, and again from 22.00 hours on Wednesday until Friday morning. There would be no overnight trains until Friday night. and Wednesday services would also be disrupted.

Progress In negotiations on ASLEF's 10 per cent claim had heen made earlier in the week, but abruptly came to a halt when the NUR was angered at the possibility of a deal being reached ahead of productivity tolks affecting all other groups of staff in British Rail.

Promote

Central bank talks settle **EMS** details

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

job cuts THE EUROPEAN Monetary next week's meeting of farm By Pauline Clark, Labour Staff System will start almost immediately after the French BRITISH RAIL'S higgest union is expecting to he confronted with proposals for as many as reservations about agricultural subsidies have been lifted. This 20,000 redundancies today, on follows an agreement between the eve of a threatened national the central bank governors of all nine EEC countries which Mr. Sid Weighell, general resolves most of the remaining technical questions about the operation of the scheme.

The EMS will start three working days after the lifting of the French objections. But there is a proviso that if this date is towards the end of a month, any central bank can in a round-the-clock effort this This is one of the key points in a short document signed hy weekend to present the union with details of its productivity all EEC countries at the meeting of central hank governors in Basle last week, though the details bave only now hecome nown.

> The Bank of England played a full part in these discussions, which highlight the British intention to he involved actively in the development of EMS ing in the intervention mechanism. while not, at present, participat-

France also hacked the agreement on the timing of the beginning of the system. This can be seen as further confirmation that the French objections. which prevented the start of EMS on schedule on January are mainly to do with farm sub-sidies (and French agricultural exports) and do not reflect deeper reservations.

It is still far from clear, though, when the dispute will end. Chancellor Helmut Schmidt of West Germany said on Friday that he felt the matter could be solved hefore "very many weeks" have passed, but there is growing caution in both Bonn and Brussels about whether the

ministers. The Basie document resolves some, though not all, of the

problems associated with the very ahort-term support under which European Currency Units, composed of a hasket of all nine currencies, will be issued against the deposit of a fifth of the gold and dollar reservea held hy central banks.

The dollars will be valued at market prices on the two working days before the day of valuation. Gold will be valued at the average price over a period of six months, as set at seek to delay the start until the beginning of the next month. This is one of the key points exceed the average price at the two fixings on the penultimate working day hefore the end of the six months.

Stability

But this agreement only covers the creation of the very v short-term facility, and the precise role of gold in the lending mechanism remains ambiguous. A dispute has existed between France and one or two other States which want gold to be valued at 30 per cent of its average market price, and the rest of the EEC, which favours a 75 per cent valuation. The eight currencies to he linked together in the intervention mechanism have hardly moved against each other since the beginning of January. This is a clear indication of central hank intention to maintain stability as if the EMS was in

operation. Indeed, the margins of fluctuation between the French franc and the Italian lira and the five currencies in the snake, the present Europeat joint float, have been so narrow as to confirm the deliberate policy of Intervening to iron out crratic issue should he sorted uut at muvements.

PO \$250m standby credit

BY NICHOLAS COLCHESTER

Clifford Rose, BR's industrial relations director, for lunch They were said to yesterday. have considered informally the union's objections to certain conditions affecting manning. attached to a 6-7 per cent offer.

THE Post Office Corporation Mr. Ray Buckton, ASLEF has arranged a \$250m 10-year 10 years at 2 per ceot over the The The Post Office will pay a p for "commitment fee" (for the 10 International hanks. facility will act as a hack-up for the issue of an equivalent hanks' readiness to provide the amount of commercial paper in funds If required) of 1 per New York. This procedure for fund rais- initial once-oly fee of ? per cent. ing by a state agency matches

Both agencies borrowed for

Election. More generally, the Prime Minister intends to keep the heleagured 5 per cent pay guideline as a firm -objective. and to continue to threaten the use of fiscal and monetary policies, with their inevitable effect on employment levels. should wage rises force up the level of inflation.

Mr. Michael Foot, Leader of the Commons. admitted in an Interview yesterday on Loodon Weekono Television's Weekend World that the Government marshall as effectively as pos- would have to take action should average wage settlements run

docks quiet over the weekend, it is too early to make judgment.

Transport and General Workers'

Union met in London yesterday

to plan the administration of

the strike, including implemen-

tation of the decision that picketing should be confined to employers involved in the dis-

pnte. But it remains to be seen

Mr. Alex Kitson, executive

officer, admitted last night that

week" to sort out the picketing

.Transport union leaders will

today examine approaches which

dary picketing.

Regional secretaries of the

Shah's departure a step nearer. Administration in on substance Iran has agreed to pay Britain has led to leaders of 60,000 £250,000 compensation for the refinery workers reaching pace-November 5 attack on the British: setting pay deals with Gulf Oil Embassy by anti-Shah rioters, and Amoro within the guide-Page 2 Page 2

Minister resigns

Turkish Defence Minister Hasan Isik resigned on the eve of the start of new lations between Turkey and the U.S. on defence co-operation. Page 2

Lester fined

Lester Piggott was fined \$500 at the end of Hong Kong's COMPUTER makers Jockey's invitation series for COMPUTER makers "foul tiding." in a minor race. STRUGGLE between Inter-He rode three winners during national Business Machines and the series.

Steel leaves

Salisbury saying the situation with support for the internal leaders slipping intimidation "through

Briefly

Scottish police were trying to - trace the source of hydrogen sulphide gas cloud drifting of 180,000 tonnes a year. Page 21 westwards over central areas. Two people were treated for the companies effects of the gas which has an nnpleasant smell but is not . ASSOCIATED - SPRAYERS

lives in Cambridge. The £50,000. winner lives in Staffordshire.

Protest rally in Amsterdam against against one neutron domo on wardwhite the business from attracted 6,000 who were enter 32 per cent last year from taiged for 15 hours by several 2115m to £15.2m. In the UK hundred poets, dancers, singers they improved by 42 per cent and other artists.

 HEINZ food group is to phase but over three years its Standish factory in Wigan and concentrate its production at another plant in the town where some of the 1,150 workers will be absorbed. Back Page

Imitators worry

national Business Machines and

was forcing down the price of equipment, says a leading U.S. " Liberal leader David Steel left: consultant, and could lead to competitive problems for International Computers and other independent. manufacturers. Page 4

> • FIVE Japanese groups are to Join: Comalco and Kaiser Aluminium in developing a new A\$500m (£285m) aluminium smelter in Queensland, Aus-tralia, with a design capacity

COMPANIES

the neutron bomb on warldwide life business rose

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for ensuring the movement of essential supplies are working reasonably well, it was claimed. But the Government admitted. yesterday, that the effects of the road haulage strike on industry

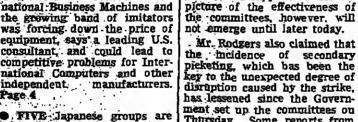
-whose supplies fall largely outside the scope of the arrangements would lead to serious dislocation. Speaking after the first meet- how auccessful the union will ing of the chairman of the be in its efforts to end secon-Speaking after the first meet-

regional emergency committees, Mr. William Rodgers, the Trans-

there had been a "substantial it might take " a few days or a improvement " in the movement week" to sort out the picketing of essential supplies. A clearer issue,

> Mr. Rodgers also claimed that the incidence of secondary picketing, which bas been the key to the unexpected degree of disruption caused by the strike, has lessened since the Govern-

Winner of the latest £75,000 from £87,000 to £295,500 hoosted



ment set up the committees on reach agreement although he Thursday. Some reports from could not yet put a number on the regions, bowever, show secondary picketing is still very

strong in places, and Mr. lorry drivers are not conducted

premium bond (5MN 750306) the figure for the full year to lives in Cambridge. The 550,000 August 31, 1978, to a record, winner lives in Staffordstire. 5397,500 (£139,000). Page 20 winning number 12RP 515219 • PHOENIX ASSURANCE

The Price Commission has that it was looking for rises of between 20 and 25 per cent in the price of its ethylene and allowed Shell Chemicals UK, Imperial Chemical Industries and BP Chemicals to put up the propylene. Its higher density polyethylene is likely to go up hy about 10 per cent, and it prices of their products by as much as 50 per cent in some Cases. expects its polystyrene price will All three companies have now increase hy a total of about 30 per cent. This last figure will either announced price rises or have opened negotiations with include the abolition of distheir leading customers on the counts exact size of the forthcoming increases.

of up to 51 per cent passed by There are signs that ultimate the Price Commission, said yesterday that during the first six weeks of this year it price rises for some chemicals will be even higher than fore-cast last month. This is herause expected its ethylene to go up the cost of naphtha-a basic petrochemical feedstock-seems hy about 12 per cent, propylene hy 25 per cent, ethylene glycol etill to be increased and could by 20 per cent, henzene hy 30 well level out at £100 a tonne per cent and paraxylene by 25 thia quarter rather than the per cent.

expected £90 a trine. An extra The group estimates, that 10 per cent on naphtha costs chemical prices in the UK wonld normally mean a 20 per nificantly" by the middle of the cent: rise in the price of chemicals such as benzene. first quarter compared to levels ICI, Shell Chemicals and BP in July 1978.

Chemicals are increasing their It expects overall increases prices in stages, and further during this period to be of the

Rodgers admited that, with the nationally but in 13 areas docks quiet over the weekend, agreed between the Road Haulage Association and the union. The position of the association is that its 15 per cent offer is final but individual areas have power to reach independent settlements ...

The Agriculture Ministry said that essential foods like meat, bread, fresh fruit and vegetables

are in plentiful supply. Deliveries of food to shops, some 80 per cent of which are carried by distributors' own transport fleets, have been going ahead without much disruption. But the plight of industry can only worsen. BL's vehicle plant

at Bathgate in Scotland will close today while Ford yester-day cancelled the full overtime have been made by some baulage employers who are willing to settle on the hasis of shift at Halewood in order to the strikers' full 22 per cont claim. Mr. Kitson said that "many companies" had indiconserve components. The British Steel Corporation will cated that they were willing to review the posibon at its South Wales tinplate plants today, and Avana Bakeries said vesterday it will be laying off 600 people Negotiations on hehalf of the today.

Details, Page 5

Leading companies set to raise chemical prices by up to 50%

BY SUE CAMERON, CHEMICALS CORRESPONDENT

it.

LEADING CHEMICAL com- rises can be expected during the order of 20 per cent for panies in the UK have begun year. The average increase for ethylene, 25 per cent for pro-the big push on prices fore- many base chemicals this pylene, 35 per cent for the big push on prices fore- many base chemicals this shadowed at the end of last year quarter will be about 20 per when feedstock costs rocketed. cent. mooethylene glycol and 40 per cent for benzene BP Chemicals said yesterday paraxylene.

Esso Chemicals refuses to discuss price rises until they bave been implemented. But in the final quarter of last ycar, il increased the price of elbylen by 20 per cent and propylene by 25 per cent.

The chemical companies are confident that these price rises —though large—will stick. Their confidence seems, at last. ICL, which has had price rises to be based on concrete foundations.

The cost of naphtha bas risen dramatically, and at present there is also shortage of the chemical. This means that the overcapacity which bas plagued the whole of Europe's chemical industry has suddenly become less relevant. The 14.5 per cent oil price

increases announced by the Organisation of Petroleum Exmarket will "have risen sig- porting Countries last month, coupled with the balt on Iranian oil exports, are also thought to have created a climate conducive to higher chemical prices.

The redundancy proposals to the NUR, however, seem nnlikely to promote the prospect of more peaceful discussions yesterday that the unlon's of more peaceful discussions by Lloyd instructions on picketing "are today, ahead of executive meet-being obeyed generally" and ings to be held by hoth unions. different. and S. G. Warburg, are slightly

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and 3 manufacturing

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your individual requirements. Truck designs are

Scotland, Hyster has the manufacturing capacity to

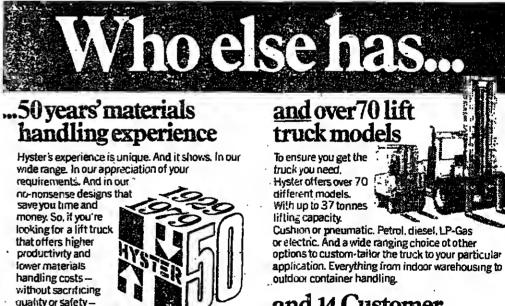
deliver. And the manufacturing flexibility to cater for

subjected to the most punishing tests and stringent

plants in Europe

cent a year in addition to an British Gas paid an initial that ploneered late last year fee of only + per cent, but its by British Gas. But the terms commitment fee rose from + per negobated with the banks, led. cent to i per cent after the first by Lloyds Bank International five years. International capital market

Page 23



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OVERSEAS NEWS

Shah warns his hardline generals

BY ANDREW WHITLEY AND ANTHONY MCDERMOTT IN TEH RAN

THE SHAH has warned bis under article 42 of the conleading generals against staging stilution, dealing with the a coup at least while the govern- Shah's temporary stay abroad, a coup at least while the govern-ment of Dr. Shapour Bskhtiar legal experts say this body remains in power. In what could not assume power in the seems to be the result of a event of the Monarch's abdica-deliberate leak, yesterday's tioo though it could dissolve newspapers reported the Shah Parliament and call fresh elec-ated line harding accurate that as telling hardline generals that be would rether leave the tion of a constitutional country than have them stage a assembly to manage a changecoup that would cause further over. bloodshed.

The report follows last week's Shah's departure—now expected warning from the U.S. State as early as Tuesday or Wednes. Department that the Americans day—is the approval of both would not support a coup and were firmly behind the "Bakh-tisr solution." A trio of senior generals are known to have seen the Sbah earlier in the week to press him to stay 'n and discard Dr. Bakhtiar.

Over the weekend the Shah's imminent departure came one stage nearer, with the setting there were few casualties. council. The council, which will have all the powers of the monarchy, is overwheloingly made up of Shah loyalists including his court minister and his armed forces chief of staff. months. The Government gave its approval for the reopening Dr. Bakhtisr is expected to chair the council in his espacity as Prime Minister. Set up on Fridsy night.

Turkey's

Defence

Minister

replaced

HASAN ISIK, Turkey's Defence Minister, resigned yesterday-

shortly before the opening of pegotiations with the U.S. on

Munir reports from Ankara.

Mr. Bulent Ecevit, the Prime Minister, has named Mr. Neset Akmandor as the new Minister.

Mr. Akmandor, aged 57, is a

Mr. Isik, former Ambassador

because of disagreements with

the Prime Minister. He was also

unhappy because Mr. Ecevit by-

passed him in dealings with the general staff. The two men

differed on their approach to

the new Turkish-U.S. agreement.

on which talks open in Ankara

on Wednesday. The previous agreement was unilaterally

abrogated by Ankara more than

three years ago when the U.S. Copgress imposed au embargo on arms supplies to Turkey.

The embargo was lifted last

Minister to resign in less than

a fortnight. The first was Mr. Irfau Ozaydinii. the Interior Minister. Mr. Ecevit replaced him yesterday with Scuator Hasan Guncs.

Hanoi accuses China

Hanoi has accused China of

Mr. Isik is the second Cabinet

Paris and Moscow, is

to bave resigned

Senator and former engineer.

helieved

a new defence agreement. Metin

religious leader, were Dr. Karim Parliament and call fresh elec-tions; or else order tha formato Khomelni.

has caused considerable bardsbin and dislocation of normal life; eased in the past 48 bours Another pre-requisite for the with the restarting of the Tebran refinery, and arrival of products by pipeline from the day—is the approval of both Houses of Parlisment for the South. Oil production in the main new Governmeot. The Majlis

Khuzestan field, picked up towards the end of last week to (lower house) debste reaumed yesterday while the Senate began its session on Saturday. stand at just over 500,000 barrels a day-60 per cent of In the streets of Tehrsn and current domestic demands-hut by yesterday the rate nf Improvement was slowing down other Iranian cities, fresh protests against the regime took place over the weekend, but markedly. The principal bottleneck remains the refineries. Oo Saturday a crowd esti-mated at 100,000 packed into The strikers' ban on exports means that the storage tanks at the main export terminal arethe campus and grounds of . Tebran University to bear speeches celebrating the reopenrapidly filling up with the heavy ing of the university after two

fuel products turned out by the country's largest refinery at Abadan. This limitatioo in turn restricts the output of the Absdan refinery, and thus the key middle distilates such as

to India whom expressed support for petrol and kerosene available Ayotollah Khomeini, the exiled for the domestic markets. Oil industry experts, say internal distribution remains a problem HAVING AGREED to disagree on the nuclear issue. Canada and India are now set to resume and that purchases from abroad have not heen sufficient to meet the import gap of some 345,000 and expand norms! economic relations. Canada is to resume bsrrels a day.

the industrial aid which was cut off when India exploded a Terry Dodsworth adds from Paris: Ayatollah Rhomeini Paris: said vesterday that he expects an "Islamic state" m he formed nuclear device in the Rajasthan Desert in 1974. in Iran with himself as ruler.

Desert in 1974. This was indicated bere by the Canadian Minister for National Revenue, Mr. A. C. Abhot, and Mr. Mohap Dhsria, India's Commerce Minister, after talks on economic co-operation. The two countries have decided to sat no a joint Speaking from his hase out-side Paris, be said the Iranians did not simply waot the depar-ture of the Sbah and the dis-appearance of the mooarcby, hut the creation of an Islamic have decided to set np a joint State. To pursue these ends, an commission to identify areas of Islamic Revolutionary Council economic co-operation. Mr. Abbot is leading a highhad been set up in Iran and was operating in secret. nowered delegation consisting

of officials and senior business executives who will explore marketing opportupities for AP reports from Bonn. The West German Foreign Ministry hss advised families of West Canadisn exports to India and German workers and other German citizens with nooidentify areas for collaboration with Canadian companies. essential business to leave Iran by Thursday at the latest.

The Ministry gave no explana-Pepsi-Cola in tion for the deadline but It is thought that it could be linked Bulgaria deal with the Shah's impending departure. By Paul Lendval in Vienna

Snags in GATT talks on Government buying code

BY BRIL KHINDARIA

WORLD TRADE NEWS

Canada to

resume aid

By K. K. Sharma in New Delhi

TALKS IN Geneva on an international code to regulate pur- over the threshold at which the chasing policies of governments, code's provisions would become A likely compromise is a com-which is part of the overall applicable is likely to be mitment by the purchasing gov-Tokyo round trade package, are resolved by a three-tier system erament to promptly supply the turning out to be thornier than under which purchases pp to winner's name on request to the code's provisions would become expected hecause of last-minute. arguments.

The novel code is an important element in the Tokyo round attempt to remove nonfariff barriers to trade because its aims are to prohibit discrimination against foreign enterprises by government pur-chasing euthorities. The draft text as it stands only partly home companies.

mccts these goals. Governments generally dis-criminste against foreign supby the code would be equal treatment for all foreign suppliers by earmarking a certain percentage of official purchases for local producers, or by using suppliers on a par with domes-tic enterprises. complex edministrative practices that act as invisible barriers,

aspects bave yet to be tied up.; but other countries feel that this licensing of new technology,

A long standing argument could lead to collusive hidding for futurs tendes.

A likely compromise is a comwinner's name on request to the losing bidder.

100,000 special drawing rights (SDRs) would be kept outside Discussion continues over the kind of entities that the code might cover. The U.S. claims the code's scope, procuraments of between 100,000 to 500,000 SDRs would come under provithat many more of its tenders would be potentially subject to the code compared with other sions requiring non-discrimine-tion against foreigners, and tenders worth more than 500,000 participants in the negotiations. SDRs would be ruled by addiand the code should therefore, tional provisions, prohibiting cover all foreign government discrimination in favour of agencies. This view has run into opposition and the compromise reached is the establishment of The main obligations imposed

a list of entities to be governed by the code. Developing Countries have pliers and, in the case of large

purchases treatment of foreign raised a last minute argument over a key element. They are esking that they should be The U.S. has asked that the exempted from **Provision** Both the U.S. and the Euro- name of the winning bidder and which would prohibit the laying pean Community, say that they the size of bis bid should be down of pre-conditions for the have essentially settled their published after the contract is bid's acceptance, such as the

Swedish forest finance plan UNDER THE terms of an agreement signed in Sofia between

BY WILLIAM DULLFORCE IN STOCKHOLM

MR. NILS AASLING, the After he left the Industry for so much money that no former Swedish Industry Ministry in October. Mr. Aasling aingle interest group can Minister, has proposed the was commissioned by the manage it. The job must be establishment of a joint National Farmers' Union to co-ordinated by the state." inancing institute for the pulp investigate the inancial Sodra, the largest of the and paper companies owned by problems of the 13 companies forest concerns, has the Swedlsh forest owner owned by forest owners.

needs long-term that he was promoting e merger industry support from the community. I of all the forest owners' assume that the Government is companies under one holding partners for its new SKR 20n aware of its problems and ready company, But he added, "their pulp and paper project at to discuss solution," long-term capital problems call Moensteraas.

been resisting Mr. Aasling's His studies parallel the work attempts to arrive at a His studies parallel the work attempts to arrive at a participation in the institute, by the new Industry Minister, through merger or by means Most forest owner companies Mr. Erik, Russ, to negotiate of a common financial have operated at a heavy loss state support for the pulp and organisation. over the last two years. papar mills. Sodra's managing director, "The whole Swedish forest Mr. Aasling denied reports Dr. Lennart Schotte, has pointed out that his company is back in profit, although it is still seeking

SHIPPING REPORT **Caribbean rates nearly double**

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

POLITICS in Iran, strikes, and there is no prospect of im- flurry of interest from Greek had weather in Europe have not been sufficient to weaken what in most departments is a fairly steady market.

Tanker rates in the Gulf pretty well static at depressed, bave benefited from conditions. levels, with 44 ships still in the Gulf. In the Caribbean reported by brokers E. A. rales almost doubled in the Gibson to be waiting off fran, course of last week and there at the end of last week.

One oll company has, however, moved its ships out of the queue and the fact that there.

mediate improvement. The going rate for a VLCC is worldscale 27 westbound and worldscale 30 eastbound.

other tanker loading areas that during the year there was bave benefited from conditions an S per cent increase in the in the Gulf. In the Caribbean fotal volume of secondand rales almost doubled in the tonnage sold, compared with was plenty of activity in cross-. Mediterranean trading.

steady and in the sale and pur-Saudi Arabla, suggests that last week, although there was a scrapping.

Dec. 71

204.2

146.1

Nov.' 78

122.6

206.8.

138.5

129.5

202.0

deckers,

monthly report for 1978 shows

1977. Prices bottomed out in the first quarter and by last month

are now more than 30 vessels chase sector there were no to remain fairly stable in 1979, waiting to load at Ras Tanura, significant movements in prices with a continuing high level of

202,5

145.5

Oct.?78

122.6

205.7

137.3

129.1

Z00.9

buyers in linertypes and tween-

Lamhert Brothers

% change

Index

base year

1974=100

1970 = 100

1975=100

1970=100

1976=100

1975=100

1967=100

OVET

previous

year

8.4

,24

4.0

9.5

11.6

3.8

8.9

Dry cargo rates remain fairly. January levels. feady and in the sale and pur- Lambert expects the market

World Economic Indicators

RETAIL PRICES

Nov. 78 Oct. 78 Dec. 77

201.1

145.0

122.3

203.8

135.8

178.8

199.3

188.4

142.7

117.9

188.9

124.1

T24.8

185.4

Sept. 78 Nov. 77

disputed issues remained uuchanged, Reuter writes. The new discussions would concentrate on trying to solve technical problems and if successful the next move would be to agree procedural arrangements for resuming talks, the Louis Fares adds from

Damascus: The first tripartite meeting ever between Syria, Iraq and the PLO took place bere this weekend at the to Arab countries and article Foreign Ministry to prepare for four which deals with the a summit meeting in Damascus ap Israeli Woman.

officials is expected to aim at years, eliminating some of the Meanwhile in Cairn a Foreign leader of the PLO. eliminating some of the Meanwhile in Cairn a Foreign obstacles to the resumption at Ministry source said Egypt wel-Ministerial level of the stalled comed the new U.S. initiative Ministry source said Egypt wel-comed the new U.S. initiative Maizar, the PLO's official but slressed its attitude towards spokesman, said the major ubjective of the summit will he

> David accords. Ihsan Hijazi adds from Belrut: Lebanon and the Palestinlans here were yesterday bracing themselves for an

dent of the U.S. company and Mr. Krassimir Kotev, the direc-tor general of the Bulgarian foreign trade corporation Tech-

Assad of Syria, President Bakr of Iraq and Mr. Yasir Arafat.

nika, made it clear that the deal 'to consolidete Arab ection on was based on a compensation the basis of resisting the Camp agreement The U.S, company will buy

All three guerrilias, members for the Liberation of Palestine

Road haulage

Pepsi-Cole International and the

Bulgarian state foreign trede agencies, Bulgaria will huy Pepsi-Cola and two plants will

be built in the cities of Stara Zagora and Turgovishte to boltle the drink.

Mr. Peter Warren, the presi

group in Sudan

By James Buxton A new specialised road haui-

country south of the capital,

The company will initially operate a fleet of 20"Foden and Volvo heavy tractors and about 30 specially-designed desert trailors. It is claimed that it can make the 600-odd mile journey from Port Sudan to

The company is to he called Amalgamated Sudan Transport Company (ASTC) and should

A new specialised road hau-age company with a one-third British stake is helpg formed in Sudan aimed at bypassing one of the country's worst bottle-necks—the transport link between Port Sudan and the pro-ductive inland areas of the country couth of the conital

yet, hut observers considered Sr. Marcelino Opeia, during hartown. which he sought great or French co-operation to control ETA

activity inside France. If the claim for "Peixoto's" is now a group of people proh-Khartoum ip 48 hours. Militar and was generally con- men acting with some official

Bulgarian wine for import inlo Britain end the U.S., as well as confectionary, electric trucks and other goods. Israeli attack in reprisal for Saturday's guerrilla raid on of the Marxist Democratic Front

More political killings in Spain

He belongs to the

BY ROBERT GRAHAM IN MADRID

Among the speakers, all of

peace talks.

THE SPATE of politically motivated violence in Spain continued unabated over the It likely to he their work. More significant in the escalaweekend. Two paramilitary policemen were killed hy hombs tion of violence was the policemen were killed hy hombs attempted assassination of the If the claim for "Peixoto's" and two further were badly In- ETA leader. Jose Manuel attempted assassination is jured in incidents in the Basque Pagoaga Gallastegui, known as correct, this suggests that there country 'Peixoto."

In addition a leading figure hard-line ETA faction-ETA- ably retired or off-duty policein the militant Basque sepratist organisation, ETA, was lojured sidered to have acted as its connivance to carry the war in an assassination attempt, treasury, operating from inside against ETA. Early on Saturday morning France. He was hit hy several it is also thought that the one policeman was killed and hullets fired from a passing van death on December 21 in the start operating in April.

The Israeli Cshinct yesterday discussed the visit, by U.S. Special Ambassador Alfred Atherton and State Department legal adviser Herbert Hansell. The two men are due to arrive in Israel tomorrow and fly on to Cairo on Friday. source said.

by U.S. State Department in Sinai after a number of

Points at issue are likely to be article six io the drsft peace treaty which dealt with the precedence of the treaty over previous Egyptisn commitments

Maglot in Northern Israel.

(DFLP) were killed, along with

U.S. in new Mideast peace bid BY L DANIEL IN TEL AVIV

THIS WEEK'S Mideast mission review of security arrangements next week between President

Sanjahi, bead of the opposition National Front Party, and Ayotollah Talegbani, one of the radical religious lesders closest The capital's fuel crisls which

sending two warships Into Vietnamese waters end provokipg almost daily border clashes since the fall of Phnom Penh, Reuter reports from Hopg Kong.

The Vietnam News Agency reported yesterdsy that the Vietnemese Foreign Ministry had sent a protest note to the Chipese embassy in Hanoi warnipg Peking that it must hear full responsibility for the consoquences

Meanwhile Thailand agreed yesterday to take in about 400 wounded soldlers of the defeated Cembodian regime on humanitarian grounds, AP reported from Bangkok. Acceptance of the wounded wes said to have come after pressure from Cbina.

Namibia mission

Mr. Martti Ahtisaari, the United Netions speciel envoy, arrived in Johanneshurg vesterday for talks on the operational require-ments of a UN force to supervise Namibia's transition to independence, Reuter reports. Mr. Ahtlsaari is going to Namibla (South-West Africa) today for talks with the South African Administrator-General the territory, Judge Marthinus Stern.

Rhodesia call-up plea

Following-up an announce-ment extending the Rhodesian call-up of whites for military service to cover the 50-59 ege group, a Minister in the transitionel Government has appealed to men without a military commitment to volunteer for service, Tony Hawkins reports from Salisbury. Mr. Chris Anderson, co-Minister of Law end Order, said that such men had a "moral obligation" to join the fight against urban terrorism.

Pakistan 'sound'

PARISTAN'S Finance Minister, Mr. Ghulam Ishaque Khan, insisted yesterday that the country's foreign exchange posi-tion was sound, Cbris Sherwell reports from Islamahad. The Minister said the Government had no Intention of defaulting on its debt repayments. He was responding to a Voice of America report which suggested

that default was likely. Meanwhile the Government decided at a Cabinet meeting to make cuts in its non-development expenditure. It snnounced a 5 per cent reduction in defence expenditure.

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another badly injured in their as he was about to check his French Basque country of the Land Rover when it went over own car on Saturday morning. promineot ETA figure "Argala" an electronically-detonated elec- The attack was claimed by two was the work of a similar ven-

was the work of a similar ventric charge. The other Guardia organisations of the extreme geance squad rather than a Civil was killed when several right Triple A and OATE (the settling of internal accounts hours later he went to the scene anti-ETA anti-terrorist organi- although the thesis that both of the first incident to defuse sation). It followed last these actions were a settling of another explosive device. ETA week's special visit to France accounts have not been wholly has not claimed responsibility by the Spanish Foreign Minister discounted.

Brezhnev visit seen as 'warning'

BY PAUL LENDVAL IN VIENNA

Leonid Brezhnev, the Soviet victory of the Cambodian President and party leader, to patriots." Bulgaria is regarded by diplomatic observers in the Balkans the building-up of Cambodia as as an expression of support for a sovereign independent demo-Bulgaria's staunchly pro-Soviet Cratic and non-aligned state." leadership end as a warning to Yugoslavs heve condemned the Yugoslavia end Romania. invasion of Camhodia and have

Mr. Brezhnev arrived in Sofia demanded withdrawal of foreign on Saturday and both he end troops. his host, Mr. Todor Zhlvkov, the Although Bulgarian Head of Stete. stressed what they called "the

THE SURPRISE visit of Mr. enormous importance of the learn how to rest" as an explanation for taking a short holiday in Bulgaria, Yugoslav Mr. Brezhnev, in a speech observers see politics rather last night, promised help "in than health as the main purpose of the visit.

Romania came out publicly cratic and non-aligned state." against higher military spending Both the Romanians and the at the last Warsaw Pact summit. Therefore the fact that Mr. Brezhnev travelled to Bulgaria by train through Romanian territory but failed to stop in Brezhnev Bucharest or to meet President

referred to "comradely criti- Nicolae Ceausescu, may have cism" that he had failed to been a deliberate snubabout the political risk attached

Chirac assured of party loyalty

Mr.

BY ROBERT MAUTHNER IN PARIS

THE GAULLIST PARTY, which came as a surprise after constituency level Also, most Jacques Chirac's leadership, has near Paris, 120 out of the party's 155 Nallonal Assembly Deputies, have expressed their confidence in M. Chirac, who is still convalescing after a car accident in November.

on heavily in the argument

against an annual wealth tax.

The conculssion says thet it

ance taxes.

has been split in recent weeks criticism by some leading party Deputies were anxious to avoid over European policy and M. members of M. Chirae's style a fundamental split and political of leadership, and of the viru- crisis which might even have Jacques Chirac's leadership, has once again managed to paper President Giscerd d'Estaiog's and led to an election barely a over the cracks in its ranks. foreign policies. But the vole year after the last one. At a meeting in a chateau indicated, as some observers had Although they closed ranks mear Paris, 120 out of the party's suspected, that grass-root sup-hchind their leader. MPs were port for the anti-Chirac faction careful not to indulge in the was never strong. extreme language used by M. MPs had been given to under- Chirac, who accused the Presi-

n M. Chirac, who is still con-stand by their local party dent of allowing France to fall valescing after a car accident in organisations that constain under foreign domination and squabbling between leading of paving the way for supra-The demonstration of unity members was nor appreciated at national institutions in Europe.

Plan for French wealth tax rejected

BY TERRY DODSWORTH IN PARIS

PROPOSALS FOR the creais a difficult system to put into operation, hard to manage, end a poor Instrution of a new wealth tax in France have been rejected by ment in the reduction of a three-man commission of Inequalitics since it is nulikely to raise much money. experts which has been looking into the question since last July. The team suggests In favonring a new system nf inheritance taxes the comthat a nunch hetter way of raising moncy from the country's rich would be ro mission has raised memories of abortive efforts in the late revise and increase inherit-Foreign experience is drawn

1960s to introduce similar reforms. These were eventually emascaleted by parlia-mentary opposition. a danger to which the new proposals are also cicarly exposed.

The commission's recommendations, however, have one essential difference in that they reduce the weight of the fax at the bottom end of the structure and become much more progressive in their atlack on large fortunes.

Against a maximum inheritance taxation rate of 20 per cent at present, it suggests 411 per cent in future on any thing over FFr 2m (£235,000). But the tax will he removed altogether on inheritances of iess than FFr 400,000 against a fignre of FFr 125,000 now.

Berlio, ln addition, is un-abashedly offering Germany's most lucrative subsidies and tax preferences to make up for its geographical disadvantages. Even its location is now being overcome as the reconstruction of the Berlin-Helmstedt autobahn reduces the driving time to West Germany to little more

than two hours. A new autobahn is to be built to Hamburg that will also reduce the trip hetween Germany's largest cities to two hours. Delays in truck transport by East Germany are a thing of the past as all freight is sealed hy

Bolivia's Argentine sales

BY HUGH O'SHAUGHNESSY

BOLIVIA IS expected to announced that any agreement increase natural gas sales to on a much larger scale of natural Argentina from 150m cuhic feer gas to Brazil will be left to the a day to 220m and an Argentine civilian government which takes office in August after free clecmission is going to negotiate the increase in La Paz this week, tions. The sale to Brazil has The current price of the gas, which is subject to six monthly been opposed by some political sectors in Bolivia because of a supposed lack of proven gas revisions is \$1.54 per thousand cubic feet. reserves for local consumption The government of General and hecause the deal would link

Bolivia closely to its large Belgium David Padilla, which selzed Bolivia closely to power in November, has eastern neighbour.

GERMAN INVESTMENT

to investing in West Berlin, a

Western outpost 110 miles

Daimier-Benz is about

companics.

DM 210m.

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W. Berlin lures the big names

UK

W. Germany

Holland

France

Italy

U.S.

BY LESLIE COLITT IN BERLIN

reduced to a minimum by the Four Power agreement. West Berlin's financial incen-

inside East Germany, the city is tives have long been used by a attracting long-term investment number of well-known West German and foreign companies from some of the most prestigious West German and foreign located in the city. Now the city has set up an Economic Development Corporation which is to carry the message to a select spend DM 100m (\$54m), in West group of smaller and mcdium-Berlin over the nexl four years sized companies in West Germany and abroad. The corwhile Bosch is expending there at a cost of DM 35m. Sicmens is putting in DM 12m after poration is headed by a former Investing DM 1hn In Berlin over

Ford motor company executive, Mr. Robert Layton, who was the past seveo years. Philip Morris is spending DM 40m in chairman of Ford in Cologne. West Berlin's tax preferences the city while BMW is com-

consist of a reduction of the 12 per cent Value Added Tax by between 4.5 per cent and 10 per plcting a new motor cycle factory in Berlin next year for ent of the amount paid, depending on the value added to the product made in Berlin. The The underlying reason for the upsurge in Investment in Wesr Berlin is that the city's longbuyer in West Germany gets aoother 4.5 per cent reduction in term future is seen to be guaranteed by the 1972 Four the VAT he has to pay. Power Beriln agreement. West

Corporete income taxes ere 22.5 per cent lower than In West Germany while individual Income taxes ere 30 per cent tower. Employees in West Berlin receive an edded 8 per cent "Berlin premium" from the city if they earn up to DM 30,000 or the option of a

lower tax rate. Investment incentives are also unequalled in West Germany. Once a company has found a fsctory site in West Berlin the city will buy it and the coopany then pays 4.5 per cent of the purchase price to get a hereditary lease of 99 years or less. The city also reimburses 12.5 The city also reimburses 12.5 foreign companies are being per cent of huilding costs with sought which previously may customs before entering East per cent of huilding costs with sough Germany and the East Geroian in four months of the calendar only have

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DESPITE HISTORICAL fears border controls bave been year in which they were German distributor but now invested. European recovery programme loans are available for the remaining 43.75 per cent of the building costs at 3.5 per cent for up to 14 years with the rest provided by the city at L5

per cent below prime rate, or 5.5 per cent currently, for up to seven years. West Berlin also provides a rebate of 25 per cent for investments in machinery at the end of the investment year with the remainder being financed the same as with buildings.

As much as 75 per_cent of the total investments may be. written off in the first year crlater with the hasis being total investment not reduced by the cash subsidy received. All told this leaves a company investing here with annual costs of two per cent. The Industrie Kredit-bank has compared 77. West Berlin, manufacturing com-panies with a similar number in West Germany and found that West Germany and round, that from 1974 to 1977 the Berlin companies had a return on investment, including write-offs, of 13.6 per cent against 10.3 per cent for the West German ones."

Mr. Layton says the city is meinly interested in attracting companies offering a apecialised product, having a sound financial structure and excellent

manegement. His development corporation is working to identify such companies which are then to be individually approached. His international manager. Mr. W. F. Robinow, says smaller and medium-sized

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exported to

cycle Plant (1,300), Giliette (1,280), BAT (1,145), IBM (1,100), and Deutsche Philips (1,060)

Planck Society, Hahn-Melmer Institute and Heinrich Hertz Institute. One ambittous Jun is to link research further with industry to create the West Berlin counterpart of Silicone Valley in California and Route

128 in New England.

require production in West Germany. Much the same as in West Germany the number of manufacturing Jobs in West Berlin has declined from 265,000 in

1970 to 177,000 largely as e result of rationalisation. However, the contrection has taken place largely within the biggest companies while the majority of workers are employed by thonsauds of small and medium-

thonsauds of small and medium-sized companies, which have carved out a niche for them-selves in West German and foreign markets. West Berlin's gross domestic product per capita in 1977 was DM 38.897 compared with DM 37.171 in West Germany. Among the largest companies which supply West Germany, the European Community and over 3 seas. markets from olants in 25

European Community and over-seas, markets from plants in-Berlin are Slemens with 26,000 employees, AEG-Telefunken, employing 15,000, Schering, with 10,000, Osram (6,000), Standard Elektrik, Lorent (3,800), Borsig (3,000), Baimier-Benz (2,750), Robert Bosch (2,800), Finn-Otis (1,700), O and K (1,650), BMW Motor Cycle Flant (1,900), Giltette

The city is well showed with scientific research facilities at the technical university, Max.

Linancial Times Monday January 15 1979

UK NEWS

White Paper likely to project 2% increase in spending

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ing,

planned level for the year is in expenditure may be only oxpected to be projected in the slightly more than 2 per cent annual Expenditure White The latest published evidence Paper to be published on Wed-indicates that spending-covered

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The White Paper will contain a much longer and more detailed discussion of the medium term prospects for the economy and the constraints on the growth of expenditure than in previous years in particular, examining the influence of varia-tions in pay, productivily, ster-ling and the balance of payments.

In the short-term, the White-Paper is expected indirectly to underline, the limits on the Government's freedom of manoenvie in the budget, whatever-happens now on the pay

Medium term expenditure and revenue projections are likely to be placed alongside each other, but there will probably be no change in estimates of public sector borrowing for 1979-S0 from the £8.5bn figure

disclosed two months ago. Otherwise, the main City interest will be in the extent of underspending in the current financial year and hence in the increase in projected expendi-ture for 1979-50 not merely above the planned level for 1978-1979 but also above the expected outturn for the year. It is likely that any under pay disputes.

refurbishing and re-installation

DOBSON HYDRAULICS has

received three orders worth over £150,000 for Dobson

.demountable body equipment.

. . . .

CONTRACTS

Board for

and auxiliaries.

BRITISH foundries have not fully recovered from the 1975-76 N INCREASE of about 2 per spending in 1978-79 will be cant in the volume of public much smaller than last year and spending in 1979-80 above the bence the underlying increase slump but the non-ferrous, companies are in a much stronger position than the troubled iron founding sector, according to two surveys by Inter Company Comparisons

The situation in iron found-ing is described as "rather by cash limits, around two-thirds of the total, bas been running between 1 and 2 per cent below the ceiling though other spend notably on debt interest an dtransfer payments such as social security benefits, has been

list of major economic indicators due to be published this week, headed by the trade figures this afternoon. City analysts generally expect that the current account will have improved in December on the deficit of £72m reported for the previous month; the January figures, will naturally be

distorted b ythe current indus trial noubles. Other statistics include retail sales for December (due this afternoon); . average . earnings and basic wage rates (due on Wednesday), and mid-Decem-ber money supply, fourth quarter consumer spending and November industrial production (all due on Thursday).

£250.000 for the supply and in-

Saudi Arabian monetary agency

bank in Riad, Sandi Arabia. The

order was placed by Lang Wimpey Alireza, Saudi Arabia.

TOLLTRECK. · Droitwich,

Overall these figures will be examined to see whether the rate of economic expansion had -begun to slow by the end of last year; though inevitably they will be overshadowed by current

GEC Industrial Controls

GEC INDUSTRIAL CONTROLS hydraulic test installations for

bas an order worth over fim aircraft servicing, at BAF from the British Railways Cottesmore and the RAF-main-

of 230 dc high speed circuit JAMES CLARK AND EATON breakers, and for the provision of Bracknell; Berks, has won a

of modern control equipment contract worth more than

VICKERS FLUID FOWER at shipped a £20,000 mould Hain

the dismantling, tenance unit at St. Athan ...

receives £1m order

of profit margins. more bnoyant. In addition, there is a lengthy

BY ROY HODSON

result of the boost given by the ferrous foundry aid scheme.

depressing." The industry is seen as baving too much capacity competing for too few vehicle market was largely being orders, with subsequent erosion met by imports. Unless Britisb car manufac-Capital Investment in iron turers could increase their marfounding in the three years up to October 1977 — tha period ket share, there would be no reat improvement in husiness

all boost."

Foundries to receive

ferrous founding was to be secured, the industry would nead to move to a higher added

value product. Profits were con-

future investment. The ferrous industry's main

The upturn in demand in the

covered by the surveys "tended to be lower than it could have been." from the car-makers for the foundry industry. Two-fifths of the iron castings According to estimates, about 400m will be invested in the were used by Ford and Leyland. The tractor market was another industry by next year as a important customer. There were But tha surveys see that tractor market.

no signs of an upturn in the worldwide recession in the

£400m. 'last boost' National Economic investment as a ." once and for Development Council had sug-If continuing investment in gested that the ferrous founders

should aim to export 15 per cent of their production, but only 13 foundry companies exsidered inadequate to cover ceeded that figure in the years surveyed.

customer was the car industry, three were not profitable or The upturn in demand in the were actually making losses. Slow stock turnover and relatively long credit periods were two adverse factors.

> 1975-76 slump and improved sales values by 24 per cent in 1976-77. Profit margins were also up by 15 per cent and the

The surveys are sceptical whether the

founders' recovery will last.

Gilt-edged market expects acceleration of inflation

THE GILT-EDGED market is spread belief that the Govern- of enother 14 per cent wage moderately gloomy about the ment's money supply targets round must mean a fall in the prospects for the UK economy will be met, though with an sterling exchange rate quite this year though cautiously optimistic about interest rafes, according to a survey of market opinion conducted by stock-brokers L. Messel and Co.

The survey among brokers and investors in the gilt-edged market was based on 241 replies, which had to be sent in by January 5, before the ontlook for their own market. The average estimate for Minimum Lending Rate, now full extent of the present indus-trial troubles was known. The results show that most

expect a slight acceleration in the rate of inflation this year. About 85 per cent expect a rise in earnings of between 11 and 15 per cent in the present

pay round and nearly 70 per cent expect retail prices to rise by between 9 and 11 per cent this year.

Just under two-fifths of the tion will be hy the end of March. stallation of glazing units at the sample expect sterling (now More than a half expect a bung Parliament," though \$1.9960) to be between \$1.80 nearly 70 per cent believe that there will be a Conservative and \$1.89 on December 31. and a slightly smaller proportion expect the rate then to be Government. between \$1.90 and \$1.99. Nearly 85 per cent believe the trade-

review of brokers J. and A. weighted index, now 63.3, will Scrimgeour, Mr. Micbael Posner, Swindon has an order worth for a secondary lead smelter be between 60 and 64 by the a former senior official economic pay oute over 1500,000 from the Property, for the Canada Metal Company. end of the year. Services Agency to manifacture for casting bullion and stag. The survey reveals a wide- mist, says that the consequences per cent

will be met, though with an sterling exchange rate quite increase nearer the top than soon, an erosion of the UK's the bottom end of the 8 to 12 per cent target range. Just over balf extra fillip to domestic inflation. be .sample expect the public sector borrowing estimate for 1979-80 in the Budget to be

between £8.5bn and £9.5bn. But gilt-edged investors are supply cannot affect present slightly more cheerful about the wage negotiations.

> an 11 per cent round were fulfilled interest rates at the long-end could fall,

month, but the authorities will

In the new quarterly economic higher levels.

Cn. suggest that the eventual pay outcome in the present starting today. An extra hour round a still be roughly 12 is added to the television news

Insurance choice . for home buyers

By Michael Cassell, **Building Correspondent**

THE RIGHT to change insurance companies during the term of a mortgage is to be extended to all bouse buyers

New borrowers bave been able to exercise a choice of insurance on their property since 1975 and existing home owners will now be able to do the same, following talks between the Office of Fair Trading and the Building Societies Association.

Borrowers will now be able to choose from at least three insurince companies or to propose a different insurance company of their own choice

Any company proposed by a borrower will have to offer cover equivalent to that pro-vided by the companies suggested by the society.

The society will also be able to reject any company which it feels unlikely to provide an adequate service or which will not undertake to keep the society covered if the borrower

fails to pay a premium. Traditionally, the society has required the borrower in insure with a company which it

Mr. Gordon Borrie, Director General of Fair Trading said yesterday: "The societies are th e congratulated on their willingness to offer borrowers a wider choice of insurance than they have had previously."

New P&O ship to visit UK

P&O CRUISES' new 27,000-ten cruise liner, Sea Princess, will call at Southampton on Wednesday on her way from Bremen. Germany to Australia, where she will operate year-round cruises from Sydney.

Sea Princess is the last passenger liner to be built by John Brown on the Clyde. She was bought from Flagship Cruises of New York in Seplember.

THE BBC's Ceefax operation is being extended until midnight differeol schemes in which starting today. An extra hour manual workers were treated service.

Oil industry forms group to promote onshore interests

1.15

BY KEVIN DONE, ENERGY CORRESPONDENT

OIL COMPANIES involved in Government and other organisarefining, distribution and mar- tions It has come under pressure

keting in the UK have formed from Mr. Anthony Wedgwood Benn, the Energy Secretary, in a trade association to improve the industry's contact with Government and other organirecent months to form a represations.

soniative association, which could take a full role in tripar-tite discussions with the Gov-The United Kingdom Petro-leum Industry Association is ernment and the trades unions expected to start operations in a few months after the appoint. on oil industry affairs. ment of a director general and The Government was con ment of a director general and cerned in particular during its rnw with the EEC Commission a permanent. staff.

The first president will be Dr. over a European oil refining Austin Pearce, chairman and policy, that the UK oil industry chief executive of Esso. The lacked a single representative vice-president will be Mr. Denvs voice. Milne, chief executive of BP Oil companies with refining and distribution activities are Oil, and the treasurer will be Mr. T. Hatton, managing direc-tor of Total Oil. represented now only by the

Petroleum Industry Adivsory The association will perform Committee, a body established a similar role to the UK Offshortly after the Second World shore Operators' Association. War solely to offer advica to the which represents oil companies Government. The initial memhers of the involved in offshore oil and gas

exploration and production on new association will be British Petrolaum, Sbell, Esso, Gulf, Mobil, Chevron, Texaco, Total, the UK Continental Shelf. The industry has long been aware of its waakness in repre-senting its onshare interests to Burmah and Amoco. Pbillips,

Manual staff receive 'lower sick benefits'

BY ERIC SHORT

THERE IS still a wide differen-tial between sick pay benefits had no sick pay scheme for for manual workars and fnr manual workers. The findings non-manual employees, according to a survey by the Institute of Personnel Management. The study analysed the sick

pay provisions of 35 companies. It found that the level of cover

was low for manual employees, even in companies where sick pay for non-manual employees was generous. It also found that nonmanual employees normally received their full salary with

a deduction for National Insurance sickness benefits, allbough the periods over which such payments were made varied. Manual workers, In contrast, received lower benefits payable over shorter periods.

Only one company paid the same benefits for both calegories nf employees. A further 19 had less favourably-some markedly WCIH OHX; price £5, plus 30p postage.

disclosed Ibat differential treatment still existed in spite of trends in present thinking tnwards a single status for manual and non-manual employees. The survey pointed out that improvements in pay schemes were one of the few exemptions permitted under Stage Two of

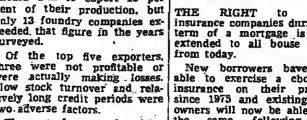
the pay policy. As a result, many employers had taken the

opportunity to review their schemes. But since August 1977; trade union negotiators had once concentrated on wage again increases and productivity, and were ignoring non-monstary job

security measures. Sick Poy Scheme, by Alison Jogo, from the Information Deportment, Institute of Personnel Monagement, Control House, Upper Woburn Ploce, London

In another recent broker's circular, Phillips and Drew has said that money market condi-

3



average return upon capital improved by 32 per cent.

non - ferrous

The non-ferrous foundries howed a turn-around after the

nominates. competitive position and an

Mr. Posner maintains that the effects of monetary policy work through very slowly and that the low grnwth in the money

He sees the health of the giltand earnings

Britisb Industry's estimates of

tions are likely to be tight this

probably nppose any further rise in Minimum Lending Rate even if U.S. rales move to yet

Brokers Joseph Sebag and

121 per cent. is about 10 per ceot in a year, while gilt-edged settlements growth. yields are also expected to If the Confederation decline, giving capital gains of more than 5 per cent. Nearly 45 per cent of the sample think that the General Election will be beld between April 1 and the end of June and quarter believe that the elec-

edged markets during the next few months as being closely linked to the course of wage

COMPILED BY DATA GENERAL COMPUTER.

Britain's Livestock can look forward to being better fed.

The reason: BP Nutrition (UK) Ltd, who originate feed formulations for a large number of the country's compounders, are using a Data General mini-computer to help them compile formulations.

Normally it's no easy task, there are up to 200 possible ingredients that can be used. And ingredient prices and availability can vary daily.

But the Data General Eclipse system enables BP to give 'least cost' mixes to meet nutrient requirements quickly and in detail.

The printout lists individual raw material costs. Opportunity prices of rejected raw materials. Plus a detailed breakdown of nutrient values.

Where requested, rations are rounded off to convenient batch quantities. And tonnages required to manufacture a given ration.

Another advantage: customers can 'lock-into' the system from terminals located in their own offices.

The software for the system was written by Scicon - a member of the BP Group of Companies.

Terry Smith, BP Nutrition's Computer Services Manager says: "The Eclipse system enables us to give, more than a 'least cost' solution. We now give a fully informative service with all the information customers could wish for. And faster too! Now we're looking at other ways to use Eclipse flexibility. For example, specialised programs to predict milk yields and diets to optimise pig growth."

Data General has installed more than 55,000 systems world-wide for all sorts of tasks. Systems that provide excellent price/performance as well as superior reliability. And everything's supported world-wide. Send for information. Data General could be your 'least cost' solution too.

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 Please send literature and have a representative phone me. Name Position Company Address PF15/1 Usia(American Concorating 1177



Welsh reforms foreseen by Foot

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FINANCIAL TIMES REPORTER

THE CAMPAIGN to secure a vote on March 1, St. David'a Day, when the referendum on the proposed Welsh Assembly takes place, would be "the greatest ever mounted in Wales," Mr. Michael Foot. deputy leader of the Labour Party, said at the weekend.

Mr. Foot was addressing a rally at Bangor, North Wales, arranged by the Campaigo for the Welsb Assembly, the pro-devolution organisation which draws support from the Labour. Liberal, and Welsb Nationalist parties.

More than 500 people hraved the cold to hear Mr. Foot say several competitive sources of that devolution would help supply for enuipment, and that England as well as Wales and prices would be reasonably low. Scotland. He hinted that a first task for a Welsb Assembly might be local government

reform. There were five other MPs

on the platform-Mr. Cledwyn Hughes, (Lab., Anglesey), Mr. Geraint Howells (Lihcral, Cardigan) and the three Welsh Nationalists, Mr. Gwynfor Evans (Carmarthen). Mr. Dafydd Thomas (Merioneth) and Mr. Dafydd Wigley (Caernarfon). The Archbishon of Wales, the Right Rev. G. O. Williams, was significant. chairman.

Mr. Gwynfor Evans, speaking of IBM had an advantage if it facturer's system to arother, in Welsh, said that devolution could show that its machines Any such change requires an would give Wales back its selfconfidence. and Mr. Howells con- had some other superiority. In fidently predicted that 50 per future, users were more likely cent of the Welsb electorate to be interested in the rsnge would vote for devolution.

computer industry BY MAX WILKINSON THE STRUGGLE between inter- grammes (software), said Mr. IBM aystem to work out new Withington. national Business Machines and

Imitators worrying

the growing hand of its imitawill bring hig competitive tors its competitors because of problems for International Computers Limited and other indepredominance of its equipment pendent manufacturers, says a throughout the world. leading U.S. consultant.

Mr. Fred Withington. co-author of the latest computer industry report by consultants Arthur D. Little, said yesterday that ICL and similar companies were beginning to face two fundamental difficulties.

The first was that competition hetween IBM and its imitators was driving down the price of Since 1976, makers of equip-IBM-type of equipment. This meant that anyone who bought an IBM system could be reasonment which is compatible with that of IBM (plug-compatible equipment) have increased sales from almost nothing to \$650m ably certain that he would have last year. The study says that the struggle between IBM and ils imitators will continue to

Software range

become an important factor in The second problem for comthe world at large. panies such as ICL was that said that Mr. WithIngton users were becoming much less interested in the performthere was no immediate cause for alarm on the part of ICL ance of computer machines (hardware). The technology was moving so fast that all and other computer companies whose systems work on different orinciples (computer architecmachines were improving and turel from those of LBM. the differences in performance There was a large inertia

eclipse all other competition in

the U.S. market and has already

were becoming much less built into the computer market hecause customers were reluc-A few years ago, a competitor tent to change from one manu-Any such change requires an could calculate, more rapidly or expensive re-vriting of pro-

grams, so a shift in the halance of the markets would be slow. This means that there is and efficiency of available protime for the coorpetitors of the scribers.

ideas to get a competitive edge, In the provision of software, and there is overy evidence that IBM had a big advantage over they are doing this. they are doing this.

What this means in effect its size and the overwhelming is that ICL and the other companies will have to be sharper than ever before, if they are to

The Arthur D. Little report prevent IBM from having an estimates that IBM's share of advantage over them." the world market in terms of Mr. Withington's report. the world market in terms of Mr. Withington's report. annual shipments (by value) written jointly with Mr. Oscar has slipped in the last five years Rothenbuecher, predicts that from 70 per cent to 58 per cent, the annual value of shipments hut it expects IBM's share to by U.S. mainframe computer films. recover to 61 per cent by 1983, suppliers will be between \$23bn because of a new agressiveness and \$29.5bn by 1983, an increase in product development. of at least 40 per cent over that estimated for last year.

> Revenues The share of the world market taken by U.S. maoufac-turers would reduce from 78 per cent this year to 75 per cent in 1983. This slight shift would be

the result of expansion by manufacturers of small systems as well as competition from Fujitsu and Hitachi in Japan. and the European mainfisme companies. Tutal revenues of data processing companies would grow

faster than the sbipments of zencral purpose computers. Total reveaues grew by 19 per cent this year from \$23.8bn in ware.

1977 to \$28.4hn last year. By 1983 the revenues would derive much more from associated services than from hardware shipmenls.

said: The world computer industry, 1978-1983, from Arthur D. Little of Cambridge, Massachusetts, is one of o series of reports circulated privately to sub-

Rank will sell films and TV video tapes

UK NEWS

WITH AN EYE to old-movie fans, Rank Audio Visual is to enter the pre-recorded viden dary banking crash of 1973-74 but pr tape market this spring and will be reconvened at 10.30 this among will offer Rank films as well as holmsing by Mr. Justice Croom gamhlin Mr. Be

television programmes. A faw ventures have already en made into this market in Britain. IPC is using its pub-lishing expertise in the hobby and leisure markets to offer video-cassettes on sports such as soccer and golf. EMI is also releasing entertainment films, but typical cassattes are costing about £45 for feature

Real boom

The video disc is much cheaper-a complete copy of Jaws at £7 is promised in the U.S. this year—and this is being launched by Phillps in co-operation with MCA in the U.S. Mr. Gerry Dingley, director and general manager of Rank Photographic and Film Services at Rank Andin Visual, said yesterday: "With our long

tradition in feature films and short-film making, our film aod video laboratories and a film hire library. the Rank Organisatinn is particularly well placed to make a major contribution to the development of video soft-

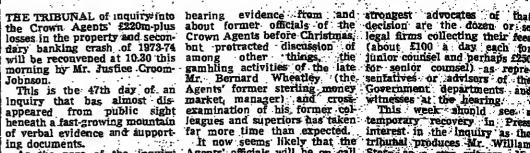
In addition to Rank films, the company has negotiated for a wide range of other pre-recorded programmes including television programmes from the UK and ahroad. Mr. Dingley "Other titles will be added to our catalogue during the year, hut I believe the real hoom will come with the production of our own video

programmes and with the advent of video disc techoology."

'Support **British** machinery makers'

BRITISH paper-making companies were urged by a Government minister to buy less of their machinery from abroad.

sider it is vital that the UK industry supports its home machinery suppliers, particu-larly where equipment of povel design is concerned."



As the pace of the inquiry slows to accommodate the extraordinarily detailed mass of earliest: evidence being accumulated about the Agents' reckless fling

in the world of finance, last year'a hope that the work would be completed by mid-1979 has vanished. **NEWS ANALYSIS**

The process of washing the Agent's now discarded dirty linen in public is expected to run well into 1980 at a cost in hoth legal fees and adminis-trative time. of several millian pounds.

ing documents.

Last summer Parliament set up the tribunal to find " to what extent there were lapses from accepted standards of commercial or professional-conduct or of public administration in relaa number of own account deals and the professional hase of Mr. tion to the operations of the Jack Walker, whose English and own-account in the years 1966ing to Judge Fay's report, cost

1974 ... the Agents £42.8m. Mr. Justice Croom-Johnson and his fellow tribunal members, Lord Alleo of Abheydale and Sir William Slimmings, are covering in greater detail the ment, and finally the Bank of England will each take the same ground combed earlier by Judge E. S. Fay QC in his committee of inquiry into the Agents' losses on behalf of the early 1970s. Mioister of Overseas Development

affairs of the largest single Judge Fay's report was pub-hlisbed in December, 1977, Its terse, damning expose, of the Agents' commercial naivety throughout the years of the property and secondary hanking hoom has become one 'of' Her Maiesty's Stationery Office's over.

best sellers, In sharp contrast, transcripts of the open court bearings of the present tribunal seem cvidence piles up in indigest- ing it will perhaps have served destined for the dustiest of able volumes, perhaps the its purpose. llbrary shelves.

Evidence transcribed in the

"You ask me why, in spring 1978, we

"Wnlf garden thois is originally a.

German company And in Germany

we're ubiquitous. We've even become

a verb. People talk of wolfing their.

"In other words we've become a

Gregor Wolf our founder, was an

astonishing designer. perhaps a genius.

Many of his tools are unique, even

"He dcclared garden tools should be pulled, not pushed (farmers don t push

"Work standing up, even with hand tools, was another rule.

never comes loose or rattles.

hard labour uut of gardening.

"He designed a handle fixing which

Above all he dreamed of taking the

natural part of many people's lives.

(Rather like Radio Times in Britain.)

planted all our national advertising in

'In reply let me tell you a story.

Radio Times.

gardens.

today.

planghs).

Financial Times Monday January 15 1979

Washing dirty linen will cost millions

Crown Agents before Christmas but protracted discussion of among other things, the samning activities of the late for senior counsel and perhaps 1250 Mr. Bernard Wheatley (the seniatives or advisers of the Agents' former sterling money Government departments and market, manager) and cross witnesses at the hearing examination of his, former col- This week abmidleagues and superiors has taken more time than expected. It now seems likely that the Agents' officials will be on call

Stern as a star witness. Mr. Stern, who made headlines and until early summer at the After that the trihunal will consider evidence from the legal firm of Davies, Arnold and Cooper, tha Agents' advisers on

CROWN AGENTS

INQUIRY

BY JOHN BRENNAN

Stern, who made negatines and, empirical himself a place in the record, books with personal-hankningtey proceedings that, disclosed liabilities of over floting had a key role in the Accord sate. Agents saga His companies rank second in Judge Fay's table of Agents losses, baving cost the organisa

legal firms collecting their fees

(about £100 a day each for junior counsel and perhaps £250

temporary recovery in Pres

interest in the inquiry as the,

tribuhai produces Mr. William

tion a cool £41m. Revelations about the manage ment style of the boom time property developers will bo doubt make their way into the Press during the coming weeks. Some comic, some scandalousexamples of the commercial ethics of the time will be un aartbed and will spark the

usual reactions of newspaper outrage. However one critical Crown Agents as financiers on Continental companies, accord point tends to be forgetten own-account in the years 1966- ing to Judge Fay's report cost when viewing the tribunal's progress - that it is a view of the

seas Development, the Treasury, Tbe Crown Agents have the Exchequer's audit depart- with news of their back The nrganisation bas abandon the own-account husiness that stand and give their versions of dragged it into the property the events of the late 1960s and crash and has maintained, and expanded its traditional role as By the end an uniquely an independent agent for over

detailed analysis of the financial seas governments." At St, James's we see only the victim of the 1973-74 crash will shadows of the past parading in have been prepared. Blame will an expensive piece of more no douht he apportioned in the blood-letting by the Establish subsequent report, and the ment. The tribunal is there financial world's equivalent of pour encourage les autres. If the Nuremburg Trials will be it achieves no other effect than to put a chill down the spine of

Parliament has ruled that in any civil servant tempted it this case at least justice must cross the grey line between he seen to be done. But as the initiative and own-account deal.

East Anglian coal hunt

many a doctoral thesis, but it is NORFOLK PLANNING sub-com- There are at present no pits in hard to Imagine many Holly- mittee is to be urged this week East Anglia. The Coal Board wood producers fighting for the to approve a planning applies- will spend nine weeks drilling, film rights of the day to day, then by the National Coal Board and its rig will be 130 feet high.

tribunal recerts. It had been hoped that the intra hunt for coal at "Grove" rigs in the North Sea opposite tribunal would have completed Farm. Gimingham, Nortolk the Nortolk coast.



The appeal was made by Mr. wood producers f Michael Meacher, Under-Secretary for Trade, who said: tribunal recerts. "We in the Government con-We in the Government con-

Mr. Meacher was speaking to leading paper and board oranufacturers at the annual dinner of the British Paper Machioery Manufacturers' Association. His comments follow repre-

claiistrophobic atmosphere of Room 104 of the St. James's Conference and Press Gentre will oo douht form the basis of



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And if you want to save over 60% of the expansion cost, just look at the example opposite which you can scale up or down according to the size of your project:

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PROJECT C	OST	RECOVERY	
Factory buildings	£200,000	Building grant	£44,000
New plant and		Plant and machinery grant	266,000
machinery	£300.000	Corporation tax	•
Total Project Cost	£500.000	allowance on buildings plus annual writing down allowance	£56,000
Net Cost		Tax allowance on plant and machinery	
of Project	£178,000	(100% in 1st year)	£156,000
(£500.000) £322.000)	. 255	Total Savings	£322.000

Additional assistance also is available to reduce the net cost even further.

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sentations made to the Govern ment hy the machinery makers about the high level of imports of machinery and alleged unlair trade practices by some forcigo manufacturers. particularly from Finland.

Last year the UK machine inanufacturers' production was £45m of which £23m was exported.

Parliament this week

TODAY: Communs. Stalemen by Mr. William Rodgers. Trans-port Secretary on road baulage and rall strikes. Debate on 11th report of Expenditure Committee for 1976-77 and 12th report for 1977-78 on civil service TOMORROW: Commons. Sun-

ply Day debate on industrial unrest. Molion on Housing Support Grant (Scotland) Order.

Lords, Electricity (Scotland) Bill, third reading, Representation of the People (Armed Forces) Bill, committee stage. Land Registration (Scotland) Bill, committee stage.

WEDNESDAY: Commos. Remaioing stages of House Commons (Redistribution cf ef Seals) Bill. Lords, Debate on " continuation

of conditions unfavourable to the creation of wealth and the reenvery of British Industry." Deer Bill, committee stage. Question asking what plans the Govern ment has to increase the National Insurance Death Grant un-changed since 1967.

Select Committees, Science and Select Committees, Science and Technology, Genetic Ensineering Sub-committee on public policy issues of DNA. Witnesses: Genetic Manipulation Advisory Group, 10.30 am, Room 15. Expenditure, Social Scryices and Employment, Sub-committee on Employment Sub-commlitee on nerinatal and neonatal mortallity-Witnesses: DHSS. 4.30 pm. Room 16. Overseas Development nn UK ald to India. Witnesses: Alan Leather of Ruskin College. OXFAM. 4.30 pm. Room 6. Expenditure, Environmental Sub-committee on redevelopment of committee on redevelopment of London docklands, Wilnesses: GLC, Docklanda Joint Committer, varinus London horouchs. 4.30 pm. Room 1S. Expenditure, Trade and Industry Sub-commit-tee on UK domestic air fares. Witnesses: Clvil Avlation Aubority, 10.15 am. Room 16 European Lepislation on medical and public health R. and D. Witnesses: DHSS. 4.15 pm. Room

THURSDAY: Commons. Second reading of Industry Bill. Lords. Formal first and third

readings of various minor con-solidation measures. Arbitration Bill, committee stage. Debate on "increasing number of sightings and landings of unidentified fiving objects." FRIDAY: Commons. Private members' Bills

help the country's starting to Wolf its gardens."

"With Radio Times"

"All this of course was long ago. We're now a wholly owned British

company, part of the Wolf empire, selling Gregor Wolfs dream, leisure in. the garden.

Which brings me back to your question. Why did we plump for Radio Times

"A garden is a classless place where cabbages and kings cheerfully rubshoulders. "So the spread of your readership,"

suits us down to the ground (what is it, 49% ABCI's, 51% C2DE's?). Also, for those lucky enough to have

one a garden is part of the home. "And home, you could say is where your heart is Especially as each of your, issues stays there nine days ...

This gives people time to consider outads. After all folk want convincing before they buy strange looking tools like ours.

"And that's where another quality of yours comes in. That quality which (if David Ogilvy won't mind my using the word) is almost ineffable.

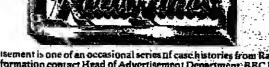
Your ambience, your authority. People trust Radio Times.

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In fact Radio Times is such an effective-advertising tool, I'm surprised. Gregor Wolf didn't invent it"



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عكنامنالأجل

Financial Times Monday January 15 1979

UK NEWS - LABOUR

Shipyard unions vote on pay plan this week

BY ALAN PIKE, LABOUR CORRESPONDENT

BRITISH -SHIPBUILDERS' would mean all negotiations hopes of structure face decisive negotiate with 168 bargaloing tests at trade union delegate conferences this week. ^c Representatives of shipyard workers in TASS, the white

⁴ Representatives of shipyard workers in TASS, the white collar aection of the Amal-gamated Union of Engineering Workers, are to vote on the proposals at a meeting in Newcastle today. Tomorrow, they will be considered by the they will be considered by the industry biggest union, the Boilermakers' Society.

Later this week, the plan will he discussed by degelates from the AUEW's engineering section.

The industry's second largest union, the General and Municipal Workers, has already rejected the proposals, and they must win endorsement at this week's meetings to stand any chance of being introduced in their present form.

The new pay proposals, un- with the Confederation on re-veiled at a Confederation of vised plans which would retain Sbipbuilding and Engineering the spirit of national negotia-Unions conference in November, tions.

BY OUR LABOUR STAFF



Mr. William Rodgers, Transport Secretary (arrowed) meets Emergency Committee chairman and Government officials.

Dispute cripples industry

BY COLLEEN TOOMEY

OPTIMISM WAS scarce among many manufacturers yesterday as they faced another week of heavy picketing at docks and outside factory gates. outside factory gates. Thousands uf workers were sent home during the weekeod and many more face layoffs after today when manufac-turers take stock of the situa-tion caused by the lorry drivers' dispute. Unitside factory gates. Thousands uf workers were sent home during the weekeod after today when manufac-tion caused by the lorry drivers' dispute. The action of lorry drivers' dispute. The action of lorry the tobs -

dispute. Vital export orders have already been lost and many more hang in the balance. Even companies needing essential supplies which were guaranteed a safe passage by the Transport and General Workers' Unloo last week complained yesterday that plckets were preventing the supplies from getting through. Secondary picketing was in

strong evidence througbout Britain yesterday, according to the Freight Transport Association, with the exception of the Midlands where picketing was "patchy."

picketing would prevent the made road movements difficult blacking and hlockadiog of and affected the delivery of goods and supplies of companies fuels and other essential

"The action of lorry drivers, assisted by ASLEF, is likely permanently to destroy the jobs of other union members.

"No employer or husiness should apply pressure to the hauliers to offer more. The offer aiready made is oearly double the rate of inflation. "There is no easy solution to

the problem other than for the lorry drivers to go back to work and to use the usual means of oegotiation." Sir Joho said. Ports are still being solidly

plcketed. One of the worst hit areas is Northero Irelaod where about 70 per cent of goods are

the 900 tanker drivers employed with the major oll companies to call off their unofficial strike.

Only a change in the law on day by the severe cold, which supplies such as desicing finid for airport runways. Scottish Office Ministers met industry leaders and strike com-

mittees over the weekend to try to ease problems caused by picketiog, but some companies have said they would he laying off workers from today or tomorrow.

BL Vehicles has laid off 700 workers from its truck and trac-tor factory at Bathgate and may

he forced to seed home other workers later this week. Doo Brothers, the textiles group, has fold is 1,100 employees in Angus that there. could be shorter worklog bonrs : this week. About 10,000 workers in Scotland have beeo affected

about 70 per cent of goods are transported by sea. More than 18.000 people have already been laid off work and seot home, there are few sectors the situation is worseoing, in of lodustry that have survived spite of an easing of the fuel uoscathed.

In Newcastle, small com panies bave been forced to close today as .raw material supplies ran out. Heovy picketing continued over the weekeod and overtime was reduced as employees found restricted bus services made transport impossible.

للجديد للتكريد الجيراني للسيان الفراعيان

Food shortages in Wales and the Sooth-West are widespread. Many basic items such as flour, hutter, frozen foods and fresh fruit are uoobtainable in several areas Avana, baters, is 700.00 600 people bome from today.

With more than 21.000 people laid off in the Midlands already. there seems little bore of Imminent improvement. The fuel shortage is still critical, sccording to the Freight Trans-port Association, and extends in a 55-mile radius from Birming-ham ham. ..

A full Suoday overtime produc tioo shift was cancelled at Ford's £125m car plaot at Hale-wood. Liverpool. to conserve supplies, of components. It would have been the first Sun-day overtime at Halewood for spite of an easing of the fuel uoscathed. is supplies, of components. It supplies is supplies, of components. It of company on would have been the first Sun-Ulster's short-lived state of Humberside has come to an day overtime at Halewood for arrangement with the union that two months and the 4.000 men. pected to be ended by Mr. Roy if they is not picketed essen in the assembly and body stamp-tal goods only will be dis ing plants would have poduced are produced. Secretary after the decision by the 900 tanker drivers employed

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 s.m. ON WEDNESDAY. 17th JANUARY 1978 AND WILL BE CLOSED AT ANY TIME THEREAFTER ON THAT DAV.

12 per cent TREASURY LOAN, 1983 ISSUE OF £950,000,000 AT £97.25 PER CENT

PAYABLE IN FULL ON APPLICATION ...

(namely £97,25 for every £100 of the Loan applied for

INTEREST PAYABLE HALF-YEARLY ON 17th MARCH AND 17th SEPTEMBE

This Loan is an investment felling within Part II of the First Schedule to the Trustee Investments Act 1981, subject at regards securities payable to bearer to the provisions of Section 7 of the Trustee Act 1925. Appliarion has been made to the Council of The Stock Exchange for the Loan to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are suitons to neceive applications for 2750,000,000, of the showe Loan; the balance of 2200,000,000 has been reserved for the National Debt Coremessioners in public funds under their monagement.

The principal of and interest on the Losn will be a charge on the National Losns Fund, with recourse to the Consolidated Fund of the United Kingdom. The Losn will be repeld of per on 17th March 1983. The Losn will be issued in the form of stock which will be registered at the Bank of Englend or at the Bank of Insiand, Bellast, and will be transfereble, io multiples of one new penny, by instrument in writing in accordence with the Stock Transfer Act 1953. Transfers will be transfer bly.

Ung Stock Iransis Act 1955, Inspanjer will be needs author of the terms of On or star 18th August 1977 stock issued in accordance with the terms of this prospectus may be exchanged into bonds to bearer which will be avoingble in denominations of £100, £200, £5000, £5,000, £10,000 end 150,000. Bonds will be free of stamp duty. Stock will be interchangeable with bonds without payment of spy fee.

Interest will be payable belt-yearly on 17th March and 17th September. The first payment will be made on 17th September 1979 at the rate of £7.9990 for every EIOD of the Loan. Werrents for interest on stock will be transmitted by post incoreo test will be deducted from payments of more stran EP per onnum. Interest on bonds to beersr, less moons tax, will be paid by coupon.

Slock and bonds of this leave and the intervist payable thereon will be seempt from all United Kingdom texation, present of tuture, so long os it is shown that the stock or bonds ste in the beneficual ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britein and Northern Ireland.

or Great sitterin and Northern instanto. Further, the interest psychle on stock or bonde of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are not ordinarily realdant in the United Kingdom of Great Sritein and Northern Iteland

For the purposes of the preceding paragraphs, persona are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tox.

resident for the purposes of United Kingdom income tox. Applications for exemptions from United Kingdom income tax should, in the case of internal on stock, be made to such form as may be required by the Commissionare of inlend Revenue. Bearer bond coupons will be paid without deduction of United Kingdom income tax it eccompanied by a declaration of ownership in such form as may be required by the Commissionors of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Oividends, Inland Revenue, Lynwood Road, Thames Oitton, Surrey, KT7 ODP.

Torma may be obtained from the inspector of foreign of the that, insta-Revenue, Lynwood Rhad, Thamas Oitton, Surney, KT GDP. These exemptions will not entitle a parson to claim repayment of tex deducted from interest unless the claims under income tax law; under the provisions of the Taxes Management Act 1970. Section 43(1), no such chaim will be outside this time limit if it is needs within six years from the date on which the interest is payable. In eddition, these exemptions will not opply ao sa-to exclude the Interest from any computation for taxation purposes of the profiles of env trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of env law, orseant or future, of the United Kingdom directed to preventing evoluence of taxedon by persons doroiclied, resident, of ordinarily resident in the United Kingdom, and, in periods, resident, of ordinarily resident in the United Kingdom, and, in periods, may prove of env period for the purpose of the income Tax Acts as income of env period for the purpose of the income Tax Acts as income of env period for the purpose of the income Tax Acts as income of an period for the Bals to the secting for avery 2100 of the nonsthe income tax Acts as income to faile the the Bank of England. Naw, lasues, Walking Street, and the section and the Bank of England. Naw, lasues, Walking Street, and the tax and the Bank of England. Naw, lasues, Walking Street, and the section of the sections for anomets up to 20,00 of the Low most be the nonsthe in the index streets of 25000.

ESO.000 of the Loan must be in multiples of -ESO.000 applications for more than ESO.000 of the Loan most be in multiples of 20.000. Extends of the loan most be in multiples of 20.000 of the loan most be in multiples of 20.000 of the loan most be in multiples of 20.000 of the loan most be in multiples of 20.000 of the loan most be indicated will be result for a tess emount then 200 of the loan. In the event of parties ellotneent, the behavior a tess emount then 200 of a polication will be returned by chaque despetched by part at the lisk of the indicate and the indicate the second by chaque despetched by part at the lisk of the application will be returned by chaque despetched by part at the lisk of the application will be returned by chaque despetched by part at the lisk of the application will be returned by chaque despetched by part at the lisk of the application will be returned the branches of the Bank of E100 on written request received by the Bank of England. New lawes, Watting Streat, London EC4M 84A, or by any of the branches of the Bank of England on any date not later than 28th February 1979. Such requests must be signed and must be accompacied by letter of ellotneint, accompanied by a completed regularizion form, may be lodged lor, registration forthwith, and, in sing case they must be ledged for registration at the application at the start ban 28th February 1979. Stock mey be exchanged for bonds to beaver, and and start in respect of applications beford the stockbrokers ont, allournents index m, respect of applications beford the stockbrokers of allotneen for the and in the start ban 28th february 1979. Stock mey be acchanged for registration at the stockbrokers of allotneen starts and an respect of applications beford the stockbrokers of allotneen starts and an respect of applications beford the stockbrokers of allotneen starts and an respect of applications beford the stockbrokers of allotneen starts and an respect of applications beford the stockbrokers of allotneen sto allot applications appl would receive by way or commission a total of less than E1, ' 'Until the class of busined's on 15th August 1979 stock issoed is accordance with this prospectus' will be known as 12 per cent Transform. Stock 1983 'A '' the last dote for lodgment, 'i the Bark of England of transfers of 'A'' stock will be 13th August 1978. The interest due on 17th September 1979 will be poid beparately on existing boldings of 12 per cent Transform for a with a poid heldings of '' A'' atock to a boot in a stock of a boot and an heldings of '' A'' atock to a boot in the set of a boot and an heldings of '' A'' atock to a boot a boot a boot a boot and a somiled to the boyment of interest due on 17th September 1979 on holdings of A'' stock: From the opening of business on 57th September 1979 on holdings of A'' stock: > the payment of interest due on) to septement of interest due on) to septement of interest due on) for septement of the second of the seco Application lowns and copies of this prospectus may be obtained at the Bank of England, New Issues. Waiting Street, London ECAM SAA, or at any of the hrancbue, of the Bank of England; at the Back of Irefand, P.O. Box 13. Oonegali Prace. Bellast AT" SBX; at Mullena & Co., 15 Moorasts, London EC2R GAN; or at any-office of The Stock Exchange In the Upited Kingdom. BANK OF ENGLAND LONOON 12th Jenuary 1979 12.1 THIS FORM MAY USED "For use by Banker, or Stockbroker VAT Regn. No. : fil - not togistered put. "NONE ") THE UST OF APPLICATIONS WILL BE OPENED AT 10 S.M. ON WEDNESDAY 17th JANUARY 1978 ARD WILL BE CLOSED AT ANY TIME THEREAFTER OF THAT DAY. 12 per cent Treasury Loan, 1983 ISSUE OF £950,000,000 AT £97.25 PER CENT TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLANO The applicant nomed below requests you to allot to bim/har in eccordance the terms of the prospected dated 12th January 1979 . · · · · · £ er the above-named Loan. The applicant re-ic rescort of the Loan allotted be ean to h at 1. £ of b 55 being the being the being the e I/Ws declare that the applicant is not resident outside the s Territories d and that the security is not being acquired by the se the nomines of any person(s) resident outside those Ferritories. opplican AIGNATURE January 1979 of, or on behall of, applicant. PLEASE USE ALOCK LETTERS SURNAME OF APPLICANT FIRST NAME(S) IN FULL ADDRESS IN FULL 1. polications for smounts up to 22.000 Loan must be p pulsabans for smounts between £2.000 and £00,000 t ultiples of £500: applications for more than £30,000 i ultiples of £1,000. Applications should be lodged at the two fasues. Wating Street, London EC4M SAA. polications for polications for ultiples of £500 COMP. ate cheque must accompany esch application payable to "Bank of England " and crossed De mede payable to "Bank of England" and orossed "Trassury Loss If this decreasion cannot be made it should be denued and interacted and be made to an Authorised Depositary or, in the Reputitic of Iraiond, Approved Agent, through schem lodgment should be steered. Authoris most backs and stockforder and soldiors prectieng in the Unit Kingdom, the Chennal Istande of the late of Mary Approved Agents in Reputition of Ingland's Notice EC 1. The Constitute of Ingland's Notice EC 10. The Constitute of the and defined in the Bank of England's Notice EC 10. The Constitute of the and defined in the Bank of England's Notice EC 10. The School at Technology at constant principal the tirled standers the transformers the constant of trained and Gibrattar.

i.

efforts to reduce differentials had created a sbortage of skilled manpower. British industry was now Mr. Joho Lyons, general British industry was now secretary of the Engineers' and severely short of skilled aod Managers' Association and of its professional workers at key points in its structure and as a result was performing below its optimum capability.

agreement on differentials in was a "campaigo" waged over the lodustry for the past three several years to reduce dif-years in the national interest. ferentials for skill, profession-But this could not happen agaio. alism and responsibility.

ENGINEERS in the electrical In the association's journal, power industry gave a waroing Electrical Power Engineer, he yesterday that they were oo attacked unions whose "short longer prepared to set aside pay sighted and self defeating " longer prepared to set aslde pay agreements reached in the past hecause of the Government's fight against Inflation.

Power engineers give

pay action warning

constituent group, the Electrical Power Eogineers' Association. said that power engineers had voluntarily set aside their

At the heart of the problem

Notice of Redemption

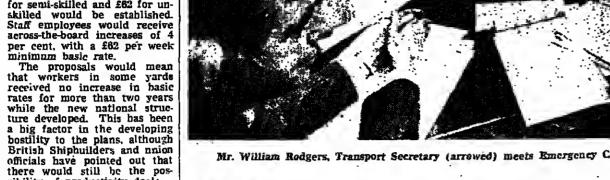
Continental Telephone International

Finance Corporation

9% Guaranteed Dehentures Due 1982

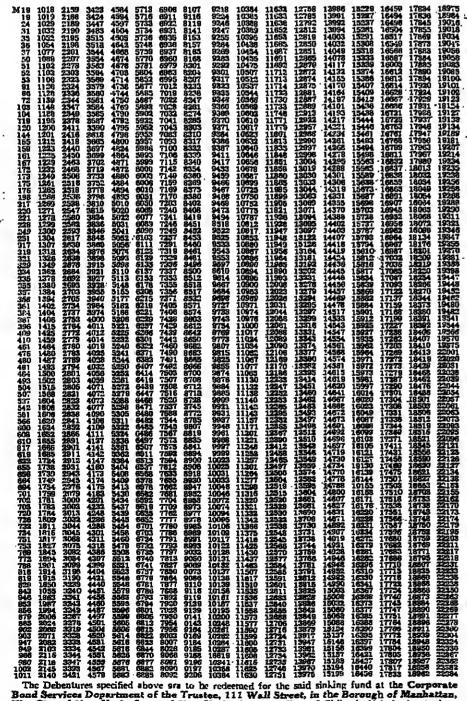
sibility of productivity deals. If the proposals are defeated

at this weeks conferences, it is possible that British Ship-builders will seek carly talks



NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 1, 1970 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on February 1, 1979, through the operation of the sinking fund provided for in said Indenture, \$1,700.000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,400. PRINCIPAL AMOUNT OUTSTANDINO



The City of Now York. State of New York, the main offices of Citbank. N.A. in Amsterdam, London, Paris, Frankfurt/Main or Milan or Citibank (Belgium) S.A. or at the office of Kredietbank S.A. Luxembourgeoise in Luxembourg, as the Campany's paying agents, and will become due and payable on February 1, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the aid Debentures will cease to accrua.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons maturing on February 1, 1979 should be detached and presented for payment in the usual

For CONTINENTAL TELEPHONE INTERNATIONAL FINANCE CORPORATION

a second and a second second

By CITIBANK, N.A.,

Trustee

January 2, 1979

and oil supplies will ease the situation for some companies. further layoffs are certain this Particularly . threatened by the drivers' strike is the manmade fibres sector which emplovs more thao 9.000 people. The effect of the strike in Scotland was made worse yester-

coloured.

this week.

rely heavily on extraction from rivers and, so far, have not been seriously hit.

The men have been offered £7

week on average earnings,

taking their total from £73 to £80. The rise is worth 9.4 per

cent, but would amount to 14 per cent on average earnings

for the lowest graces.

Although the return of petro **MOTOR CARS** WATERLOO (Water England's largest Lancia dealer dispute 38-48 THE CUT SE1 Telephone 01-928 1922 Telex 917033 hits 2,000 homes YOU'RE ONLY en Stre SECONDS AWAY By Rhys David BY PHONE ABOUT 2,000 homes north of Manchester were without water from the best last night as a result of the dispute, involving 400 mainten-LOTUS LEASING SPECIALISTS selection of new Gold/Black hide. aoce workers in the Pennine ESCRAT, RedBlack hide ESCRAT, St. Goldwarzstie List The Above Available for insmediate PREVIOUSLY USED CARS 1975 ELTE SOL, RedOatmeal, radio, de gwoei 1974 ELAN + 25 Jabus Winter Gasmeri Cioth, radio, thistory thistory SW10 SD2 01-370 41M VOLVO division of the North West Water Authority. in West London The authority supplies about 750,000 consumers. Some bouse-holders are boiling snow for washing up and flushing lavacall us now 01-370 3152 tories, and those still connected LEASING SPECIALISTS are being advised to boil water. **LEGAL NOTICES** which in many cases is dis-LEGAL NUTICES No. 0011 of 1979. In the MIGH COURT OF JUSTICE Chencery Oivieion Componies Court, in this Matter of STRANDVALE LIMITEO and in the Matter of The Companies Act 1948. MOTICE is HEREST GIVEN that a Paduen los the winding up of the above-nemed Company by the High Court of Justice was on the 3rd doy of Jenuary 1979 presented to the seid Court by BARCLAYS BANK LIMITEO of 54, Lombard Straet, London, E.C.3, and this the seid Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London W/CZA 2LL, on the 5th dey of February 1979, and any creditor of contributory of the seid Company desincus to support or oppose the mek-ing of an Order on the seid Petition may appear at the time of freeing in pose; and a copy of the February 100 act by the underagned in acy creditor or contributory of the asid Company lequiring such copy on pay-ment of the result copy on pay-ment of the result copy on the same. CulfRANT PIESSE KENSINGTON The men came out on strike CAR CENTRE oo Thursday in protest against 181 163 Waterice a pay offer made to the unions nationally. Talks on the offer are due to resume in London softer W The action, taken against union advice, has meant that PEUGEOT essential work at treatment plants has stopped. Repairs to HAMLETS MOTORS LTD. mains hurst in the present hout rans nurst in the present nout of cold weather have stopped. Temperatures in Mancbester were as low as -12 deg C (10 deg F) on Friday night. The number of consumers cut off is expected to rise rapidly during the week, but 261-367 COMMERCIAL ROAD LONDON, E.1 -Tel: 01-790-0471 Pre-increased Prices While Stocks Last because the men normally man tankers during a breakdown in meni of the regulated chargo for the sema. OURRANT PIESSE 73. Chaspeide. London, ECZV 9ER. 01-236 B51S. AT/APT/2KH3583. Noticitote for the Petitioner. NOTE-Any person who intends to eposer on the hearing of the sold Potiton must serve on, or sond by post to, the obove-nemed, notice in wilding of his intention on to do. The notice must stato the name, ond addrese of the person, or. It is furn, and must be signed by the person or firm, or his on their Solicitors firm, and must be some signed of a first bereach by post. In sufficient time to reach the above-neme to later than four. of clock in the disinoon of the Znd day of rebruery, 1979. supplies, there is no question of emergency water being dis-**NEW L/H DRIVE** TRIUMPH'S tributed. The water suthority is thought Savie monay on Spitlings 1500 (U.S or Europs spec.). £2,253. Dolomiu Spints 0/crrss. £2,755. All ers registered, but unused with lactory delivery mitages only funder 200 milas). Tet. 01-202 5181. to have ruled out the nse of management staff for this purpose. for fear of exacerbating the dispute. only In spite of its apeal there had been no noticeable drop in the level of water usage in areas **MERCEDES 280 CE** affected, the water authority said yesterday. Consumers were 1979 REG. 13/3 REG. Walfa with tan trin, sir condition-ung, crules control, self-levelling suspension. Becker Merico redief, storeo, central locking, tinte, otc. Laft lectory June 1978, vary low milsage, and as biend aew. 573,750. Tel: 0789 750745 or Office 03865 4185. asked to economise by using waste water from baths and washing up to flush lavatories Industries In the areas affected, mainly textiles, shoe manufacture and engineering, COMPANY NOTICE

BLUE BELL, INC. U.S. S20,000,000 71% Debentures 1987 Bringel report and accounts Bell Inc. for the amendial , 30th September, 1978 will su inc. for the intersity of 30th September, 1978 will, 30th (Sr. Inspection 3), the officer-us, Turnball & C.P., Moorga Landon, EC2R, SIR during 5 builtings agurs on any

BENTLEY 1837 44. YANDEN PLAS. PILATIES SAICOS 4100. BOWN AND DEISE EXERTOR. CREMIT: Brown and Deise exterior. Crean, Bloc and brown Carpols. Photographs 4841 to Intercented Parties. 217.000. Mr. Mecall 4043 (5250) (Reading, England. PISASE DICK MONCLAY 18th Jan. DECOMASC LONGCHAMP. T. TES. INTERNIK SINGE WICH BLACK Feature Russie condition. National Million Content. INTERNIK SINGE MILLION CONTENT. STORMAN MILLION CONTENT. STORMAN MILLION CONTENT. STORMAN MILLION CONTENT. STORMAN AND CON 9592i Saturi 1979,

Building and Civil Engineering

£6m motorway award Engineers kept busy to Bovis in Kuwait

CONSTRUCTION of a further way with dual, three-lane section of the M25, in Surrey carriageways; the realignment between Egham and Yeoveney, and reconstruction of about one is to he undertaken by Bovis mile of the A30 Stalnes by-pass Civil Engineeriog, which sub-mitted a £6.3m tender for the

Work is about to start and will take about 24 years to com-lete, during which time the Department of Transport promises to minimise any disturbance which may be caused to property near the road, particularly houses in Wraysbury Road. Offers of doubleglazing, under the Noise Insu-End. lation Regulations, are being made in all appropriate cases.

it stated. This contract calls for the levelled and reinstated as comconstruction of 1.4 km of motor- mon land.

tracts worth over £10m.

The contracts include works

and offices at Irlam for the

Kellogg Compaoy of Great

testing of assembled tube train

carriages for Metropolitan Cam-

new contracts. Shepherd Con-

struction has disclosed that the

hulk of the work is to be carried

out by Its North-East offices,

with projects ranging from the

construction of a computer

Largest of the seven new con-

garages at the new

tracts is one for 79 dwellings

Brasside, Durham. The £1.2m

18-month contract from the

Government's Property Services

Agency includes four-bedroom

detached aod semi-detached houses, three-bedroom terrace

bouses and a single-storey staff

The work is being under-

taken by Shepherd's Tees area

office, which has also just

block

and

bousing

bouses.

June 1980.

room.

to

Shepberd-built

extensive prison

prison

two-bedroom terrace

at

Mix of jobs for IDC

IDC GROUP has been awarded chains for Parsons Controls design and construction con- Holdings.

Britain; a unit for electrical ment at Stonebouse near Stroud

CONSULTING engineers Posford Pavry and Partners, are providing a team of engineers and quantity surveyors for project management, design between the Thames and Moor Lane; new roundabout and four slip roads to form an interco-ordination and contract supervision in various departchange between the motorway and the A30; reconstruction of ments of the Ministry of Electricity and Water and the headquarters of the Natinnal a section of the B376 Wraysbury to Stattes road to gass under both the motorway and Housing Autoprity in Kuwait. Among the major projects on the A30; and a new link road which they have been engaged

about 350 yards in length con-necting the interchange roundare Doha East power station extension (£25m), reservoir con-struction, electrical sub-station about with the B376 at Hythe and distribution works, the new The superseded length of the National Control A30 to the east of the existing (£10m), and the first of the roundabout will be broken up. planned new townships, the budget for which is £4,000m

over the next five years.

Services in

HEATING, VENTILATING and

air conditioning system and associated controls in the new

Inter-Continental Hotel, Abu

hotels

Wide range of jobs

LARGEST OF the latest con-tracts awarded to Rush and Tompkins is for a 17,000 square metre warebouse at Swindon, Wilts, for use as a distribution centre by Book Club Associates.

The warebouse, for which the contract value is £2.4m will have a steel frame, a roof covered in asbestos sheeting and walls clad with pvc sheets. Completion is due early in 1980.

At St. Mary Cray, Kent, the company is constructing 20 warehouse/industrial units for the National Water Council Superannuation Fund at a cost of £1.5m while in London, El it is building a factory and offices for Keller Sona (UK) under an £850,000 contract. Centre

Other industrial work includes a quality control building for Shell UK Oil at Teesport, Tees-side (£325,000) and workshops Newbury, Berkshire for Construction Shilston (£250,000).

way in various parts of the UK.

This includes work at Odstock.

Wilts, for the Wiltshire Health

Authority, a bealth centre at

Barhead Glasgow, refurbishing

of £790,000.

ment, rising in parts from five to seven In the retail sector, some £3.5m worth of work involving storeys and providing a gross floor area of supermarkets is under way. Tw are for the Jobn Lewis Partner-ship's Waitrose chain - one at **Cranes** for Havant, Hants (£1.am) and the other at Windsor, Berks. (£648,000). Mac Fisheries bas **Sullom Voe** placed a £900,000 order for a

supermarket at Salisbury, Wilts, A fim contract to supply four while at Kingston, Surrey a Caters supermarket for Deben-Monobox cranes to the Sullom hams is being fitted out at a cost Voe oil terminal has been won by J. H. Carruthers and Co. of Public authority contracta East Kilbride. valued at £1.2m are also under

Artist's impression of the Watling Court

Hill is to build for Electricity Supply

development on the corner of Cannon Street

and Bow Lane, London EC4, which Higgs and

Nominees at a cost of £8.1m. Project managers

are Richard Ellis. This contract will involve

construction of a single building with base-

The single box girder cranes of 5, 71, 10 and 15 ton lift capacities, are to be installed in the meter buildings and pumphousa at the terminal. All the 65 ft span cranes have flameproof equipment suitable for use in Division 1 hazardous areas.

The order was placed by Foster Wheeler, management contractor for the construction of the project.

Awards to Tilbury

TILBURY CONSTRUCTION bas begun the year well with five contracts together worth over £2m. The largest are the £730.000 solid waste transfer station at Nuffield Estate, Poole for Dorset County Council and at Warley Green near Bristol, a £428,000 sewer scheme for Lovell Homes.

9,060 sq metres. The completed building will be "U" shaped with an open paved and planted courtyard. Shop units will be at ground floor, level. Architects are Fitzroy Robinson and Partners. Thomas Bedford and Partners are the structural consulting engineers while Rybks, Smith and Ginsler are consulting engineers for the services. Quantity surveyors are Crosher and James.

The Mistley Quay and Forwarding Company has awarded Drill rig Tilbury a £367,000 job for freight forwarding facilities at Order for Rigby Quay, Mistley, Esser, and £356,700 for a car showroom and TT allowed Holland servicing facilities at Colliers' Wood, London, S.W.19, while OFFSHORE division of Rijn-Schelde - Verolme Machine-Chloride Automotive Batterles is to have a £153,000 extended fabrieken en Scheepswerven production area at its Dagen- NV of Rotterdam has received bam premises. An order for a drilling rig of the Levingston 111 type, at a

total cost of about £25m. Hotel in The agreement has been con-cluded with Centromor, on behalf of Petrobaltic, a joint Leningrad organisation involving Poland, the USSR and East Germany, is concerned with which THREE FINNISH contractors. exploration for oil in the Baltic

Polar, Lemminkainen and Haka; Sea. are to build a big botel in Lenin-The triangular drilling rig is grad as a turnkey project in co-operation with an American. length, 54 metres wide and 6.7 partner, Tower International, who is responsible for financing metries high. The three legs are each 127 metres long. The rig can carry out drilling work the project. Designed by Finnish architect, at water depths of up to 91

Ilmo Valjakka, the hotel will metres. bave 1,000 beds and will be erected in Pobeda Square along only the supply of the rig. i.e. the steel structure with stanthe road which leads to Leningrad Airport. dard equipment (e.g. the diesel

generator sets), but also the complete drilling equipment. This includes the main drill with derrick, turntable, mud The Finns will be responsible for the planning and building work and the botel will be run by the Soviet tourist organisation Intourist. Completion date pumps, mud treatment unit and is scheduled for the spring-of pipes, bits, etc. 1981. - 5

DATA PROCESSING.

Financial Times Monday January 15, 1979



CRENDON CONCRETE FRAMEWORK

The right way

work FIVE MODERNISATION and rehabilitation contracts together

worth over £1m have been won by Corrall Construction, part of owell Duffryn Group. Work in the London bor alle or Southwark and Lambeth in

cludes a negotiated extension of a contract in Kellett Road, Brixton involving the rehabili-tation and conversion of three houses built around the turn of the century: modernisation of 15 maisonettes in Alberta Street and Ambergate Street in South-wark; and work on 10 scattered properties in London, SE17

The company has also started work on two modernisation pro-jects in Northamptonshire.

Awards to **Henry Boot**

A CONTRACT worth nearly £1m bas been awarded to Henry Boof Construction by Matthew Hall Ortech, the main contractor, for a new coal prenara tion plant to be built at Hatfield Colliery, near Doncaster. This contract, the large several totalling about :13m covers design and construction of civil works which include bunkers, settling tanks, slurry tower; crushing and screening plant and washery building. The next largest sward, worth £700,000, is for 53 flats, at Church Street: Dumbarton, for

Bield Housing Association. The fully centrally heated flats will be of traditional brick. and block construction with

of the jack-up type and has a pre-stressed concrete floors and deck which is over 63 metres in will be in three blocks. Other contracts include council depot development at

Garscadden, Glasgow, for Bears den and Milngavie District Council (£370,000), renovation of council homes at Larkhall for Hamilton District Council (£350,000), extensions and improvements at the Department of Health and Social Security

offices in Shields Road, Mother well, for the Property Service Agency (£300,000) and construct tion of a connecting line from Bury locomotive junction to the

are part of...

total capability

01-235 9951

Automated

warehouse

AUTOMATED WAREHOUSE

CBS Manufacturing of Ayles

bnry, part of a worldwide

record and tape producing com

computer system from Com?

They order, for CTL's new

8040 is worth in excess of

£50,000.

pany, has placed an order for an By

Norwest

Holst

filling equipment, such as drill Rawtenstall line for British pipes, bits, etc. Rafi (1250,000). Fast Messages handled quickly construction ALLOWING méssages to be is held until such time as la directed to individual visual can be takeo. techniques

Dhabi, and the Inter-Continental for Kent Instruments and major Plaza, Dubai, are to be provided by TTT Controls, Middle East extensions to Phostrogen's mell at Birmingham; and a ware- factory at Corwen in Wales. bouse at Stourport-on-Severn All these contracts are due for division. The Abu Dhabi contract is for industrial and commercial completion during 1979. worth \$800,000 and is for the supply, installation, slte supervision and commissioning of the

Shepherd's £4.5m work poeumatic control system. It includes a supervisory data STARTING THE New Year contract awarded by tha Cleve centre to monitor the entire with more than £4.5m worth of land County Council and worth more than £660,000.

Other jobs are a transit shed

and terminal offices at Royal

Portbury Dock for Port of Bristol Authority; a manufactur-

ing and engineering develop-

Tyne area office has two awards worth more than £1m from the Britisb Gas Corporation to construct offices, laboratories and a computer block on the Nelson Road Industrial

Estate, Cramlington. In Newcastle itself, work has just begun on a £387,000 con-tract for the Area Health Authority to alter and extend the Royal Victoria Infirmary, orders. Elsewhere in the country, Shepherd has received a number of new projects, including an £511,000 contract to construct and a single-storey staff 69 dwellings and warden Completion is due in accommodation at White Abbey Road, Bradford, for the Anchor Housing Association, and factory extensions at Tredegar for Development the Welsh started on foundations at the Agency. a contract worth Middlesbrough bus statlon, a £317,000.

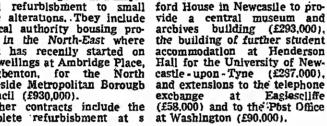
building services. A subsidiary contract is for at Orpington Hospital, Kent, \$200,000, for the Plaza extension, shops, flats and a community some 60 miles from Abu Dhabi. centre at Billingbam, Cleveland When this Dubai hotel is com- aod a sports hall at Monkseaton pleted it will be 20 storeys higb. High School, Whilley Bay. **Orders roll in to Bowey** THE BOWEY GROUP has cost of about £520,000 of the

Authority to alter and extend announced that it has started County Hotel owned by Thistle the outpatients' department at 1979 with "a basful of new Hotels Group, the second phase Council (£930.000).

. ENERGY

exchange complete refurbishment at s at Washington (£90,000)

of Tyne and Wear County Contracts range from a major Council's alteration to Blanhotel refurbishment to small ford House in Newcasile to prooffice alterations. They include vide a central museum and a local authority bousing pro- archives building (£293,000), a local authority bousing project in the North-East where the building of further student work has recently started on 72 dwellings at Ambridge Place, Longbenton, for the North castle upon - Tyne (£237.000), Tyneside Metropolitan Borougb and extensions to the telephone





The inner wall of the bose is

pressed together without in-ternal friction. The abrasive particles in the suspension are held by the soft bose wall and

return to the stream after the

bose wall bas been released,

The pump is fully self-prim-

A patent application bas been

Ing; can build up a pressure up to 15 atm; and is suitable for substances with ahrasive par-

ticles up to 15 mm diameter.

AD Alphen a/d Rijn, Holland.

Power for the new Vickers

The power house equipment

without damaging It.

ENGINEERING and Power and Dodoma diesel power Development Consultants of stations. Sidcup, Kent, a member of the A study to determine the Balfour Beatty Group of BICC, number of transmission line has been retaioed by the circuits and the transmission

mission link from Kidatu to to provide energy to a large

stations at Iranga and Mufindl: closed but which is consider-

and mechanical and electrical ably higher than the cost of the

INSTRUMENTS **Tells when**

MATERIALS Lightweight panels save heat

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

BRITAIN'S first "instant" decided that demand could best factory to use glass-reinforced cemeot (GRC) pre-cast panels their operation — the manufac-bas been erected in Lancashire. ture of aerosol containers for

demonstrate that system building nead not sacrifice high thermal insulation values for its traditional appeal of low cost and speed of construction. Saviogs in beat, outlay, and erection time bave been achieved by the use of lightpanels weight Thermacast panels which bava a very high thermal insulation value, equivalcot to two 11 in cavity walls. The U value is given as 0.42W per sq m per degree C

Pioneered by Stocks Brothers (Buildings) of Garforth, near Leeds, the Stockshell system was developed to conform with Government regulatioos aimed at upgrading the insulation standards of industrial buildings. By incorporating a poly-styrene core into the GRC panels, Stocks has gone beyond the minimum requirements the interior flush face surfaces while still retaining the im-mediate economies associated Stocks Brothers supply and with modular huildings.

These savings recently the panels and the roofing on became of particular signific- the Stockshells. The system is ance to Prespart Manufactur- backed up by the company's ing of Blackburn, when escalat- design and huild service ing orders committed them to throughout the country. producing over 10m deep drawn different beights are available metal pressings every week for through five different widths worldwida customers. It was and unlimited length.

Reduces power loss

BEING made available to the refurbishing transmission lines UK market by Technical Utili- when, in general, a higher transties (London) is a high conducmission tivity aluminium alloy particu-larly suitable for overhead trans- towers. mission line applicationa.

Ductalex conductors—used hy the Swedish State Power Board -have good corrosion resis- Ductalex for transmission applitance, at least equivalent to conventional alloys, the chief this year, a trial replacement advantage over other alloys stringing and evaluation of the heing low resistance-about 10 Hayle-Cambourne 132 kV line per cent below comparable con-which is notorious for corrosion ductors of steel and aluminium, problems. and aluminium/silicon/magnesium alloy. This lower resis- Elektrokoppar of Sweden, from tance factor leads to significant whom Techoical Utilities has reductions in transmission obtained exclusive world-wide losses.

These conductors are an

٩.

e HANDLING be met by bousing one side of **Pumps abrasive liquids** Called a "Stockshell" by its asthma relief inhalants—inside developers, it is claimed to a separate factory.

UNIVERSAL peristaltic hose Presspart made it clear that pumps particularly suitable for pumping thin or thick abrasive their new factory would have to accommodate the entire or aggressive suspensions are aerosol manufacturing operation available. from the raw material ware-The pump is particularly simple in design and the pump hose, which is liable to wear. multitransfer bousing and presses through to final inspection, despatch and adminiscan be replaced easily and tration offices. The Stocksbell quickly. The life of this bose is design package took this into between 2,000 and 5,000 hours, account and also ensured the depending on the speed and correct positioning of windows, doors and roof lighting in the counterpressure. Pressure discs are mounted on the rotor. The 10,000 sq ft building.

entire unit rotates in a pump Higb manufacturing stanhousing, which is filled with dards are applied to the Therglycerine for lubrication and macast panels, providing an additional saving in the reduction of long term maintenance . costs - and fire resistance is in line with modern building regulations. Exterior panels have an

exposed aggregate finish, aod

Stocks Brothers supply and erect the structural steel frames, Four

capacity is possible

South Western Electricity

Board is assisting Technical

Utilities in the development of

cations by undertaking, early

Ductalex is manufactured by

Technical Utilities is

markeilng rights.

filed in all the major countries for both the pump design and the pump hose, and patents have already been granted in various countries, including the cooling of the pump hose. The pumping effect is transmitted by rotation to the hose by means of the smooth pressure The manufacturer is prepared to grant licensing agreements discs in the glycerine bath, withnut the rotor coming into conoutside Europe. Bredel B.V. Postbus 162, 2400

engineering at Mbeya, Tabora link.

tact with the suspension to be pumped.

AVIATION Hydraulic test equipment AN ORDER valued at over involved the use of mobila test

at

5500.000 from the Property riga operated within the en-Services Agency has gone to closed test hangar. However, Vickers Fluid Power to manu- with increasing hydraulic presfacture bydraulic test installa-tions for aircraft servicing, at the rigs has become intolerable, RAF Cottesmore and the RAF usually resulting in servicing Maintenaoce Unit at St. Athan. personnel leaving the hangar

while testing takes place. The order follows a design contract for the installation placed with Vickers earlier this equipment is provided by VFP pumpa iostalled in a aound-proofed power house situated ontside the hangar. A bigb pressure oil supply is fed through an underfloor ring main year, and the successful commissioning of a similar test installation for British Aerospace at Warton, Lancashire. Work on these latest sets of

hydraulic equipment is now at advanced planning stage, and completion is scheduled for from the power house to outlet points in the bangar floor. Mobile hydraulic control conautumn 1979. soles, linked to the outlet points. The Vickers aircraft hydraulic control the power house equip-

test system is currently the most advanced in existence the comment and monitor the supply of oil to the aircraft being tested. pany asserts. Besides dramatically reducing the traditional bigh noise level associated with also includes an integrated de-aeration unit. This virtually hydraulic testing, it offers a aienificant advance in operating climinates the time-consuming de-aeration cycle previously needed after any aircraft efficiency and cuts aircraft turnround time.

component change involving Before the development of hydraulics. attractive proposition for re- Adelaide House, London Bridge, tha Vickers system the testing Vickers Fluid Power, South placing other conductors when London EC4R 9DT. 01 626 4521. of aircraft hydraulics has Marston, Swindon. 0793 52 3241. Vickers Fluid Power, South

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Tanzania Electric Supply Com- voltage will be undertaken as pany (TANESCO) as consult- part of the contract.

COMPACT INSTRUMENTS IS ant engineers for projects The value of the 300km link marketing a low-cost sound-level which include a 300 km trans- is put at £3m. It is being set up meter that is ideal for quick, Mufindi vla Iringa; substation paper mill at Mufindi, the value dustrial aod other environ-extensions at Kidatu; new sub- of which has not been dis- ments.

The NA-14 can be used for the assessment of deafness risk as required by the Department Employment's Code of of. Practice for Reducing the Exposure of Employed Persons to Noisa.

The instrument meets the need for a simple to use, portable device that will provide reliable information on poten-

tial auditory hazards. It incorporates a clear, easy to read linear scale with a dynamic range of 40dB, which makes the need for frequent range changing, when measuring fluctuating levels unnecessary. A peak hold facility is included which, when selected, remembers the maximum RMS level occurring during the monitored period. Thus short duration transients can be cbecked without the need for long periods of careful observation

Two ranges of measurement are provided, 50-90dB(A) to cover the lower range of sound levels in offices, workshops, etc and 80-120dB(A) for industrial applications. Both fast and slow meter characteristics can be selected. A CAL control on the front panel for use with a calibrator allows any slight variation in calibration to be compensated for while in use. NA-14 Includes internal alka-

line, long-life hatteries which give over 20 hours of continuoua use and a hattery check facility enables their condition to be monitored.

5SA. 01-140 6663.

Four colour plotter

CALCOMP has introduced a new, small pen plotter to the UK.

Model 1012 is a 4-pen plotter which produces drawings on A4 size fan-fold paper in 1, 2, 3 or 4 colours or line widths.

Designed primarily for onllne graphics applications, tha 1012 incorporates CalComp's 906 delta format controller which allows the plotter to he connected to a computer.

CalComp. Cory House, the Ring. Berkshire RG12 LER. 0344 50211.

display units in a corporate Using these systems Aero-computer centre in Jackson, quip is able to get very rapid been implemented by Aeroquip (UK) with the introduction of Data Logic PTS 100 terminals. meter that is ideal for quick, Aeroquip is a major producer on-the-spot noise checks in In- of hydraulic boses and fittings, oil seals, cargo-control equipment and related items. A total of 12 displays together

with a controller are sited at Aeroquip's manfacturing point in Studley Road, Redditch, Worcester. A further eight

PTS 100 system with 12 displays in Baden-Baden, Germany. These displays communicate with Jackson, Micbigan, via the Redditch centre.

Each screen has its own ende and is able to interrogate files held on the JBM 370/158 computer in Jackson, as part of Aeroouip's Aero-Comm system. Equally, each is able to send or receive Aerogram messages. These are individually addressed and sent to the screen nearest to the recipient. If the screen is busy, a "mail waiting" message appears on a reserved line of the receiving screen, and

onse to enquirie orders, customers, bills of materials, and stock situations. Handling their enquiries on-line speeds operations, improves efficiency and increases service to the company's customers. PTS 100 terminals are linked directly to the mainframe throughont the working day and

This agreement covers not

handle seven main application areas. Complete information on all customers is available at the terminals.

Previously, Aeroquip used cards to bold basic bill of material information. These have been superseded by making the information available on the screens-together with greater detail on the exact status of each component, the order position and the future requirements.

The Data Logic terminals enable the UK operation to make use of a comprehensive mid-range processor, the CTL, cross-reference system which was already running in the U.S., making instant retrieval of Data Logic Is at 29, Maryle

7288.

The machine is to be incorporated in the company's new bone Road, London, NW1. 01-486 £12m warehouse project in Aylesbury.

puter Technelogy.

Kodak breaks new ground ORIGINALLY scheduled for Models 100 and 200 are plug. A minicomputer-based control-availability in the UK last compatible with IBM 360 and the sets up the machine for each autumn, Kodak's Komstar com- 370, while the model 300 works job, selects the appropriate lens (COM) machines have made tive prices are £47,000, £58,000 and 48 to one are available), their formal appearance at a and £67,000. Special bardware and deals with any setrieval relatively static moment in the code conversion has been indexing. The operator needs market in relation to the bustle written for the ICL 1900. only to remove the finished,

The company judges the moment to be correct, however, in particular because the losmo size (the machine to be correct, however, in particular because the can also deal with 16mm film) paths can be used simular to be U.S. where 100 fiche), and it is supplied a report on 16 mm coll film and it is supplied a report on 16 mm coll film carridges. A belium neon laser beam is recorded and processed it. A belium neon laser beam is recorded and processed it.

pany is making includes the idea that the new machines can be regarded as a computer room peripheral just like a printer or tape deck. For computer staff, strange prob-lems of photochemistry, ex-posure levels, image density, wet processing and the rest are eliminated, operation consisting split into nine segments, each representing one dot in a 9 x 7 character matrix; electro-optical

The film used, Dacematic DL.

line pairs in a single millimetre. and still leava a discernible distance between them. Operator actions are minimal.

break new ground with the equipment among rather smaller companies (and some The film used, Dacematic DL, sublimited annual, employs silver technology but sublimited big ones), and the necessary developing and uncommitted big ones), admit fixing chemicals are held in ting that the replacement minute encapsulations in the market is mostly specific for It film which are burst by the also does not see Komster as application of heat from a particularly attractive is LOM roller. Film bowever, has high resolution and can record 1,000 line pairs in a single millimetre

entailed. Station Road, Hemet Hemp stead, Herrs (0442 61122)*

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on line. Sales "pitch" that the com-

of 1975-76.

Basically, the machine takes fixing cher digital data either from tape minute en or direct from IBM or 1CL film which computers, turns it into alpha application numeric characters, writes roller, them on to "dry" film by laser Film b and produces useable master resolution fiche each holding 476 pages, line pairs l

at a maximum speed of one every 40 seconds.

3

eliminated, operation consisting of little more than pressing the cuatomary huttona.

Basically, the machine takes

Three machines are offered.

moment to he correct, however, in particular because the machines have been quite is 550 for successful in the U.S. where 100 fiche), and have been sold since the June in easily-1 1977 launch, 32 of them working cartridges. Compact is at Binary House. Park Road, Baroet, Herts, EN5

units and controller bave been installed at the company's Cardiff centre. In addition, Aeroquip has also installed a



Work

Awards

denry

Financial Times Monday January 15 1979

THE MANAGEMENT PAGE

it had to have its own tech-

nology to sell. Rich as the

Thunderholt contract is to the

year, it is still relatively short-

lived, the present contract should he completed within four years. Dealy has set out



EDITED BY CHRISTOPHER LORE

DAVID FISHLOCK reports on the background to Fairchild Iudustries' new stake in data processing

A top U.S. aircraft maker spreads its wings

AIRCHILD INDUSTRIES of Maryland-not to be confused with Fairchild Camera, the West Coast microelectronics company, although the same man started both in the 1920s is not of the most profitable aircraft com-panies in the U.S. This is the claim of Mr. John Dealy, its president and the driving force behind a major diversification into new areas of electronics. His latest venture, last week; was the acquisition of a 20,6 per cent stake in Bunker Ramo, a U.S. electronic data processing group which is almost as large as Fairchild, with hints that this could be the first step to a merger. Four months ago Fairchild set up a joint venture with Marconi Avionics, a GEC company, to provide a new overseas outlet for its miniature TV system for pilots.

Dealy, still only 38, hecame president in October 1976 after two years as executive vice president. He is a lawyer with an engagingly boyish enthusi-asm for advanced technology. the bedrock of his reconstruction programme for Fairchild. He joined Fairchild as general counsel in 1967. after helping the U.S. Air Force in subcontractor to government-

plans to sell Britain the F-111 fighter as a replacement for the hapless TSB-2. Soon after, he became deeply enmeshed in the company's plan to company, providing two-thirds of its sales of about \$500m last diversity into domestic satellite communications.

Neglected to invest

to huild a group with three quite different platforms: aerospace, satellite communications, For Fairchild the years and an industrial product busihetweeo 1965-76 were, to quote Dealy, "relatively flat" for sales. ness in such spheres as industrial and other control systems. Primarily a defence sub-con-Ideally, he says, he wants th tractor, 'it' had nevertheless. see each sector contributing one-third of the profits. "And neglected in the 1960s to invest in the development of a major new weapon system, and was we have the projects under way to accomplish this." ... He is also paying the price. The lead-times in this, as in other sectors making big capital investments \$20m or more in the last of advanced technology, are year, three or four times as much as it was investing in the long

But a substantial company, mid-1970s. investment in the 1970s in a U.S. Air Force competition for In aerospace, the plum con-tract is unquestionably the Thunderbolt, where Fairchild has acsponsibility for fevery a new front-line support fighter plugged this gap. Fairchild beat Northrop; and then Ling-Temco-Vonght, in the battle for the A-10 contract, for which the bit of the airirame and some of the avionics." It is worth \$3m. out of each \$5m aircraft, with. Air Force has a basic require-ment for 733 aircraft. It went into volume production in 1977. The first of these new high-performance fighters - now known as the Thunderbolt 2the balance going mostly to General Electric for its engine

OISTUS performance fighters now says Dealy, has given Furchild known as the Thunderbolt 2- the chance to regroup and re-build its engineering staff and chilling scheduled to arrive any day in-house technology. Beyond the basic

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John Dealy at Farnborough with model of Fairchild's Thunderbolt 2

FAIRCHILD INDUSTRIES 1977 SALES*

Aircraft and parts Space and electronics Domestic (U.S.)

1978 sales not yet audited, but expected by U.S. analysts to exceed \$500m

offering European nations three options-an off-the-shelf 6ghter. a Fairchild derivative, or a joint venture with Fairchild to meet the customer's needs. His strongest card, he says, is the reason why the Pentagon itself chose the Fairchild fighter. This was because the company had designed a machine for minimum maintenance coststhe lowest, he claims, for any U.S. front-line fighter.

He believes that the Pentagon may want a second-generation Thunderbolt, and he has com-mitted more than \$10m of Fairchild's cash to develop a twoseater version, with the second seat occupied by a man responsle for the avionics. With the

latest radars and night-sight

sensors, he says, it would be equipped to seek "targets c" opportunity " at night and in the

mid-summer he hopes to have an "evaluation vehicle" flying.

The technology is there-it's

just not been tied together, especially in the cockpit display

area. We have to give the pilot a display he feels confident about."

worst kinds of weather.

ing and cryogenics (extreme cold) for example. At present much of this sector is concentrated in the industrial products division, which makes a broad variety of mechanical, electrical and pneumatic control devices

transmission.

acquisition

advanced technologies---comput-

Broaden the When

Fairchild apeaks guardedly, as it did last week. of looking on its acquisition of stock in Buoker Ramo as an effort to broaden the business hase of the company, it baa in mind primarily a strengthening of this third sector of business. Bunker Ramo, based in Illinois, is essentially an electronics systems company, with activities ranging from a company that manufactures electrical connectors to such technology as information systems and services for financial operations and specialised electronic systems for research centres. It also boasts textile technology for the manufacture of knitted garments and carpets.

A glance at the accompanying A glance at the accompanying table seems to say that Dealy still has a long way to go before profits from his three designated platforms are in balance. American Satellite, a long-range investment, lost money in 1976 and 1977. Sales of industrial products are minuscule compared with the aircraft sector. But, stresses John Dealy, " the less visible parts of the company are very profitable." Pneumatics alone, for example, made \$2m pre-tax profit in 1977 on a turnover of only \$7m. Nourisbed hy his evident enthusiasm for making profits out of advanced

technology, Bunker Ramo may flourish in association with Fairchild.



EXECUTIVE HEALTH BY DR. DAVID CARRICK A complex covering so vital to survival

interesting colour-schemes.

I suffered some of the latter

when I was at boarding-school

Somehow or other I contracted

impetigo, a oasty eruption

to the sanatorium. The school

doctor and the matron were

Each day we were carefully

ONE OF our most intimate possessions is a flexible, con-tinuous covering which, as well as being a defensive barrier, performs complex functions vital to survival. I refer to a word which is a politic an it is assured of fast and accurate word which is as polite as it is Platform number three consists of a diversity of industrial products. many exploiting prosaic-the akin.

Unlike that somewhat cruda structure the beart, akin lacks romance; yet it is just as important to survival and difficult to replace if destroyed. But men pay acant attention to it until it falls victim to some unsightly affliction; and many women use parts of it as an easel for a variety of paints and potions in an attempt to enhance perfection.

It has many functions. It protects the hody from invasion and yet prevents the loss of vital hody fluids and chemicals, thus helping to regulate the internal environment. Foreign hodies, whether solid or fluid, are kept out. Light is screened and if the "sun-worshipper" lies too long in the sun, a tan, due to the mohilisation of melanin, is produced-this is not for beauty but to stop the owner damaging himself. The akin helps to supply vitamin D and, through the activity of its sweat-glands, and by the complicated regula-tion of a dense system of small blood-vessels, it is an essential factor in the regulation of body-temperature. It faithfully records touch, temperature and pain. Appendages, such as bair and nails bave lost much of the importance they retain in animals—yet the hairs are still valuable as sensory indicators and very valuable on the bean

as protectors against ultra-violet light. Bald men should not go hatless under a fierce sun usually due to hacteria, not dirt as some still thick. Fortunately another boy caught it and we were delighted to he hanished

Jocularity and cynicism

deadly rivals when it came to treatment. Each swore by his Despite our hlasé attitude to the skin when all is well, any or ber method. Thus I, at the disturbance or eruption causes hands of the doctor, had my much dismay, and most general face painted a charming shade practitioners will agree that dermatitis of various kinds figures in the top three of the of purple; while poor Sam had to suffer a ghastly green dye from Matron's paint-hrush. first division of common complaints. inspected by the rivals looking

Dermatology as a speciality for the slightest advantage in has always caused some jocularity and cynicism among other their doctors. And dermatologists Neither won because, to cur courre of life.



have always suffered (albeit in eternal shame, 1 must admit comfort) many verbal slings that, by diligent, digital interand arrows. An ancient adage ference, we spun the disorder has it that they bave the best of every world because "they out for gix glorious weeks, until we suffered spontaneous cures on exactly the same day, are never called out at night; their patients rarely die and yet There are innumerable skin aeldom get hetter," which is all disorders and many are disturbvery cruel and largely untrue. ing and depressing. To a pretty girl, pneur tia (which excites As for treatment, whereas nowadays there are numberless sympathy) is a far preferable disease to acne because most cases can be cured easily. nostrums available, at one time it used to be said that methods Besidea, acne does not excite were very simple and included rules such as: "if it.is wet — dry it; and if dry — wet it" as well as others concerning

the compassionate and tends to repel the passionate. Thus, to the physical prohlem, powerful psychological traumas may he occasioned, a situation full of disadvantages.

The callous or careless

But acne and most skin disorders can be cured or alleviated hy a caring and persistent physician. Nnne has ever been despatched hy the callous or careless with such remarks es: "you'll grow out of it "; or " it's very common "; and worst of all. "you'll just have to live with it." No, to a spotty girl of 28 or to an equally marred young executive who has been suffering for years, such com respective methods. and may actually alter the

In addition the company still has a sizeable business as an aerospace subcontractor, " Good though small," is bow Dealy sees its contracts for the Space Shuttle, the re-usable rocket

343.3 35.8 mercial broadcasting 1.8 Industrial products 9.3

399.3

By

under development for the National Aeronautics and Space Administration, scheduled to make its first flight this autumn. Fairchild is prime contractor for a multi-mission modular spacecraft to be horne aloft by the Shuttle and placed in low earth

orhit. And for Boeing the com-pany provides bardware worth \$1m per Jumbo, at the rate of aeven sets per month. Platform number two, satellite communications, is one Dealy bimself played a big part in designing from the outset, when he helped draft the company's

satellite.

original proposal to the U.S. Federal Communications Commission in 1971. Satellite communications is a "major long-term growth opportunity for Fairchild." he says, and to this end it has invested about 550m in the American Satellite Corporation, giving large client organisations an opportunity of by-passing the U.S. telephone system in their loternal conmunications networks.

Fairchild's loterest in the satellite husiness was kindled by the contract in 1970 to build ATS-5, the advanced technology

for

and systems. In addition Fair-child ia making cryogenic valves for the U.S. space programme, small computers for aircraft, and automated systems for data business base

But Dealy had already Force requirement Dealy sees decided that Fairchild should two possibilities for further spread its risks more widely, husiness. One would be foreign was too risky just being a sales-and here he has been

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Military aircraft apart, Dealy is pleased with the returns he is getting from a substantial Fairchild investment in commercial aircraft. It bought Swearingen Aviation---" margin-ally profitable "---in 1972, and found itself part of the fastest-

US Air

> growing segment of the com-mercial aviation business, commuter airliners. For turbo-prop picked up threequarters of the U.S. business in its market sector in 1977-78

PUBLISH YOUR BOOK IN 90 DAYS book manuscriots on all Expert editing, design, man-Low breakeven. Two FREE Low breakeven. Two FREE and liferature give detalls, success stories. Write or ohone FIL. Expesition Press. Inc., 900 So. Orster Bay Rd., Hicksville, N.Y. 11801,:U.S.A. (516) 822-5700

Sophisticated services As a result, it can provide example, its 19-seater Metro II some highly sophisticated communications services, with high-speed computers talking to one aoother across the nation on real time. Its customers include NASA, for which it

links the Washington head-quarters with Cape Kenordy in Florida; the U.S. Air Force. for which it provides a national weather service: and such comnanies as Boeing and Sperry Rand. In this way, different oarts of far-flung companies can use a common data bank and he

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LOMBARD

A debate among economists

BY PETER RIDDELL

gregarious hunch-perbaps be- government expenditure was the cause of their vulnerability to outside critics — but until recently the rival schools of opinion often appeared bardly from squeezing manpower from to recognise each other's exist-ence. Indeed, the Commons Expenditure Committee inquiry in 1974 into bow the cconomy had been run noted in its report that some of the witnesses had never even met. This was apparently a reference to the main monetarist and New Cambridge protagonists.

Accordingly the Committee recommended that leading recommended that leading economists should meet in one or a series of seminars in order to appraise each other's views and, it was hoped, arrive at agreement upon them. After familiar to all time-laga economists, the National Institute, with the backing of the Nuffield Foundation, organised a conference along these lines on demand management in December, 1977. This was followed by the publication of the papers and a report of the discussions; the format was inspired by the Brookings Panel Conferences in the U.S. A second conference on de-industrialisation was held last summer and the report is published today.

To define

The reports on both conferences show that the format has forced economists of a wide range of views into a rigorous examination of not only other neople's but also their own views. This has helped to define exchange rate in a moderale the nature of the problem even way-moving it down now by, if not to produce an agreed solu- say, 10 per cent-but that it was tion, Both discussions revealed not an instrument which could the elusiveness of common ground, oot only in the absence for the failure of non-price of agreed policy proposals but competitiveness." also at the level of the tech-nical design of forecasting models. Ironically, an element of common ground at the end of the December 1977 conference was the agreement that a measure of fiscal relaxation was appropriate then: this conclusion might not receive such widespread support with bind-

sight. The new study is fascinating the National Institute's next tbough rather depressing. Mr. Frank Blackaby notes in his national policy. On past form, conclusion that the conference there may not be any clearcut was reasonably agreed that de-Industrialisation-their word not mine-was a new label for an old problem-the relatively poor competitive performance of British manufacturing indus-

There was little backing for price £5.50 (paperback) and the main part of the "Bacon £9.50 (hardback).

ECONOMISTS are generally a and Eltis" argument that rising source of manufacturing indus try's contraction. Indeed could he argued that, so far manufacturing industry, the expansion in public spending was designed to maintain full employment in the absence of sufficient demand for labour.

There was, in Mr. Blackaby's words, "some greater sympathy ---hut not universal agreement --- for the other arm of the pub lic expenditure argument: that the rise in expenditure had led to an increase in personal taxa-tion, which bad intensified wage push, which had squeezed profits, and so had reduced investment."

Instead, there was broader agreement that " the matter for stand. concern was the progressive failure to achieve a sufficient surplus of exports over imports of manufacturers to keep the economy in external balance at full employment." But after agreeing that problem had really been with the UK for at least 100 years the economists were less united on the appropriate diagnosis and treatment The list of explanations, and bence prescriptions, ia familiar Import controls, the degree of

government intervention and industrial democracy each divided the conference. On exchange rate policy, Mr. Michael Posner's advocacy of 'a rather mild use of the exchange rate was generally (but not universally) accepted: that it was worth using the be used fully to compensate

The merits

Even one and a half cheers for the exchange rate begs a lot of questions about how the rate can be manipulated in a world of monetarist expecta tions. The merits of fixed and floating exchange rates is one of the topics to he discussed at 70 conference in June on Intersuccess,

there may not be any clearcu answers but so far at least the debate has been worthwhile. "De-industrialisation," edited by Mr. Frank Blackoby, pub-lished by Heinemann on behalf of the Notional Institute of conomic and Social Research

John Craven's Newsround. 5.10

Blue Peter.

5.40 News.

6.20 Nationwide.

Law Lords refer case to European Court

quantity of pornographic films But Article 36 states that that they beard the appeal at all, and magazines into this country from Holiand through the Rotterdam-Felixstowe route haa provided the legal world with a unique precedent—the first reference of a case to the European Court of Justice at Luxenhourg by the House of Lords. Within the next fortnight the Law Lords will be asking the European Court to interpret certain provisions of the Rome Treaty before their Lordships

decide a criminal appeal from the Court of Appeal. The prohlem posed to the English courts rose out of a prosecution at Ipswich Crown Court in July 1977 for importing indecent and obscene material that is absolutely prohibited by a provision in our customs and excise legislation. The defendants' argument was that, as a result of the right of free movcment of goods within the Common Market, that national

prohibition could no longer Article 9 of the Rome Treaty establishes the customs union of the EEC member-States declaring that it covers all trade in goods and involves the prohibition of customs duties on imports and exports and of all charges baving equivalent effect. Article 30 specifically provides that

provision shall not preclude certain questions should first be prohibitions or restrictions on referred to Luxembourg. imports that are justified on grounds of public morality. Common Market law is in sharp

public policy or public security. The Court of Appeal last July diamissed the defendants' appeal against their conviction for smuggling pornographic material from Europe. First, it said that the prohibition on import of pornography was total and not merely measured by the quantity: the EEC provision striking at restrictiona on imports of goods was qualified by the adjective "quantitative " so that where the restriction

was not related to a quantitative measure the EEC law had no application. Second, the Court thought that it was impossible, in any event, to say that the prohibition on the import of obscene literature could he anything other than a prohibition justified on the grounds of public morality and public policy.

Lacking any doubt about the result of the impact (or rather, the lack of impact) of the Rome guidelines that have not found Trealy on English customs control, the Court declined the judges. In essence, Lord Den-Invitation to refer the inicr- ning was saying that, unless pretation of the various Articles the point on Community law in the Rome Treaty to the was really difficult and in the Rome Treaty to the was really difficult and Court at Luxembourg. It Jurther important, it was much better refused to give the defendants that an English hidge should

This approach to issues of contrast to the attitude edopted by lower courts, in particular the Court of Appeal, Although there have been references from this country's courts to Luxem-bourg, mostly by individual judges (including a metropolitan stipendary magistrate and a circuit judge), the Court of

THE WEEK IN THE COURTS BY JUSTINIAN

Appeal on the civil side, has than the Court of Appeal has so yet to make a reference. This far displayed. reflects the policy of Lord Denning, the presiding judge in the Court of Appeal.

When the question of when and how should an English court refer a case to Luxembourg first arose in May 1974, guidelines that have not found universal approval among the

Luxembourg in the middle of protracted litigation. And with the growing workload of the European Court, there was a proper desire to limit the numlaw. ber of references to those that positively needed to be dealt with by the one tribunal speci-

fically allocated that authorita-tive function. The House of Lords is its approach to the smugglers' case, appears to be acting more in accordance with the spirit of the Rome Treaty

Experience to date has been that quite the largest number of requests for rulings from Luxembourg have come from the lower courts. There is a positive virtue in an early reference, since that allows problems of Community laws to be reactived rapidly in the pre-liminary stages of litigation and provides the European Court with the earliest opportunity of resolving doubts for all the

courts of the member-States. Such a procedure reduces protracted discussions on Community laws and minimises the lines established by Lord Den-riak of a series of judgments ning four-and-a-half years ago,

given, as it may transpire, in error. Supposing an Engliab A study of the practice of the judge, following an english European Court, and the laid down by Lord Denning, national courts of the other takes it upon himself to inter-member-States, before and the states of the intermember-States, before and pret a Community provision, collaborative forensic process in the matter further beyond the which a single purpose has judge's ruling. Subsequently, been schieved harmoniously that judicial interpretation might be overthrown by the ing separate roles; the clear European Court but meanwhile division being between inter- the law remains uncertain pretation of Community Jaws Much better that the issue be authoritatively resolved at the earliest opportunity. Given this approach, it should

THEATRES

totion of those laws by the national courts. By studied judicial courtesy, it has been be rare indeed that the Lords leave to appeal to the House of decide the point for himself, possible to maintain mutual, would ever be faced with the Market "quantitative restrictions on Lords. Contrariwize, not only Tbis accounting jingoistic atti- respect for differential judicial, obligation itself to refer a case R o Henn and Darby is imports and all measures having did the Law Lords last Novem- tude was dictated by the responsibilities. Adherence, to to Luxembourg: any reference. W.L.R. 1031 and 1407.

THE IMPROBABLE event of equivalent effect, shall be pro- ber grant leave to appeal but prospect of delays and expense the separate functions, while in a case involving an EEC law the smuggling of a large hibited between member-States." they also indicated that, before involved in trips by litigants to collaborating in the perform would have to be made at some the essence of the partnership way to the House of Lords. That envisaged in the interplay of the precedent of a House of national legal systems and EEC Lords' reference has occurred only six years after Britain's entry into the Common Market demonstrates a failure in the proper approach to such references. The Court of Appeal, in the smugglers' case, ought to bave made the reference itself. which might have obviated any necessity for the Law Lords themselves to entertain an

appeal.

Now that the question of making references to Luxembourg Lords, one may hope that the final court of sppeal for this country will review the guideand that lower courts will be told that, wherever there is any doubt about what a Community law means, the best course is to accede to a request to refer the matter to Lasembourg If that policy entails a potential over-loading of the work for European Court judges; it may mean making some radical changes in procedure in that Court. But the alternative of having national judges trying to do the work of the judges at Luxembourg will only harm the collaborative spirit that has so far prevailed within the judiciary and legal professions of the Common

. R o Henn and Darby 1978 1

THEATRES

Latest volume for breeders is another collectors' item

unique publication, The Bloodstock Breeders Review, is again examination. with us, and like the Timeform Although

RACING BY DOMINIC WIGAN

years, undertakes immense task with unerring almost inexhaustable stamina. The latest edition contains

some 400 pages of text, 150 of them dedicated to reviewing the British Racing and Breeding Year. North America with 60 pages, and France with hilf that number, are also covered in more detail than in any other British publication. The breeding and racing industries of such covered in this highly informa-

Review great credit to its editor, Tony Morris, for it shows the remark-able depth of his research and almost inexhaustable stamina. Massey-Ferguson Gold Cup, broke down at Tweseldown; and that the great Metropolitan and

publication, with an equally enthusiastic following is the Hunter Chasprs and Point-to the Essex Ilgion. Pointers 1979, published by CHEPS Horse and Hound, Kings Reach Tower, Stamford Street London. SE1. al £6.15.

All horses which ran in this type of racing last season are

YET ANOTHER volume of that countries as Trinidad and tive and often amusing annual Turkey also come in for No one could accuse the two compilers, lain Mackenzie and David Phillips, of beating about

ing no signs of flagging with and could be considered some- For instance, it says on age. what dated it should again have Bahuddiu's victory in an open the of world-wide racing and its sells almost exclusively to stewards had no idea whether hreeding industry the review, enhusiasts with the aim of a they were coming or going." The compilers are equally published annually for nearly collection and posterity in mind. The compilers are equally The Bioodstock Breeders' blunt about that one-time popu (Thoroughbred Publi- lar Staff Ingham Horse Asdic, shers Limited 26, Charing Cross saving: "must have a major Road London, WC2, £22, pins defect." The book also tells us £1.25 postage and packing) does that tough chaser. Garnishee who in his heyday landed the

Tartan Prince, had a hear

CHEPSTOW 1.30-Lager Boy 2.00-Royal Marshal II*** 2.30-Listen Here* 3.00-Dntchman** 3.30-Double Negative 4.00-I'm Lucky

HTV 1.20 pm Report V/star Headlines. 1.25 Report V/star Headlines. 5.15 The Undersee Advantures of Captin Nemo. 5.00 Crossreads. 6.00 Report V/sti. 6.22 Report Waleg. 10.35 The Monuay Film: "Track of The Cal," starting Robert Michum and Teresa Wircht. MAYFAIR. 529 3038. (Green Park Tube) Ev. 8. Wed. Mail. 3. Sat. 5.30. 5. 8.30. WELSN NAJIONAL THEATRE CO. In UNDER MILK WOOD Oylan Thomas's comic mesterpieck. Season must end Feb. 0. NATIONAL THEATRE 528 2252. OLIVIER (opea stape: Tanight & Tomorrow 7.30 THE DOUBLE OFALER by Congrete LyTTELEON (prosceptum staget: Tonipht LyTTELEON (prosceptum staget: Tonipht and Tomorrow 7.45 THE PhillANUERE and Tomorrow 7.45 THE PHILAMUEREA by Shaw. Contestor (small, auditorium): Tomiohr Tomorrow & Wed at 8 (Last 3 pers). NEROD new play by Paul Mills, music by Harrison Birtwistle & Domiaic Muldowney. Mahr exc.:lent cheap seets all 3 theores 2333. Credit card bookings 928 3052. pais storm 10.00 cn day cf 00%. CO SNT GARDEN. CC. 240 1966. Gardencharga Credit. Cards 838 5803. Ton't, Thur, and Sat, 7.30 Dom Pesquale. THE ROYAL BALLET. Tomor 7.31 Thc Sleeping Beauty. Wed 7.30 La Filic mai gardee. Fri 7.30 The F.rcbird. Scanus de ballet. The Sto of Soriay. 85 Armohi seats avail for all perfs. Irem 10 am on day of perj.

ENTERTAINMENT

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PALACE CC. 01-437-8834. Mon.-Thurs. 8. Fri. and Sat. 6.00. 8.40. DESUS CHRIST SUPERSYAR by Tim Rice and Andrew Lloyd-Webber. DIFFORMANCES. SA. LER'S WELLS THEATRE. Resources. Ave., EC1 ES7 1672 THI feb. 24, 0'0YLY CARTE 10, "BEP AM" SU'STAN EVEN THE GONDOLLERS. Thur Fri & Sat THE YEOMEN OF THE GUARO.

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PALLADIUM. CC. 01-43T. 7373. Twice dail 7.43 and 7.30 OANINY LA RUE as "Merry" Andrew Twankle in ALADOIN ABANAJAR Olivs WATLING, Brinn MARSHALL and Whene SLEEP. One of the best drossed and funnessi parabas to be stope: at the Puiladium for yast. O. Mitter, "The beily laughs come almost non-stop. S. People. SEATS AVAILABLE FOR TODAY'S PERFORMANCES.

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WINDHILL THEATRE CC. 07-437 0312. THICE NIGHTLY BOO and 10.00. PAUL RAYMONO oresents BOOT PAUL RAYMONO oresents THE EROTIC EXPERIANCE OF THE MODERN RRA. "Takes to unprecedented Innis' may b permissible on our stage." News. THIRD GREAT YEAR: THIRD GATE Y BASE. WYNOCHAM'S, From 8.30 am. 01-336 3020. Crackin Care blogs. 236 1071, Moz. 10 Thurs. 8.00, Fri. 2, 525. 515. 402. IN Mary O'Malley's amash-ble comcody VERY FUNNY. Evening News. O'NCE & CATHOLIC " Sure-fire comedy on set and religion. OT. MAKE' YOU'S NAKE WITH LAUGHTER. Guardan.

GUIDE

WEMBLEY ARENA. 01-902 1234, HOLIDAY ON FCE The Big Christmas Show for all the family Tures, for FrI. 77.45. Mot. Wed. 3. Thor. 3. Sals. 2. 5-6 B. Suns. 41 3 4 6. Children 5 Senior Cits. 1; price most perts, pay doors. Ample price most perts, pay doors. Ample price sals and price. 25.

YOUNG VIC. 928 6353. Eva. 7.45. Mats Tomor, Thu 2 Ph/I Woods adapta-tion of CANTERENRY 74LES. We to and 2. Thur., Fr. 2 BIAWATHA for 5-12 year olds.

YOUND VIC STUDIO. 228 8305. 27, 8. Elena in Would The Real JUDY GARLANO PLEASE. Last week.

CINEMAS

ABC 1 & 2. SHAFTESBURY AV. 336 8861 Soo. Perts. ALL. SEATS BKBLE. T SUPERMAN (A). Wk. and Sun, 2.00, 5.00. 3.10. Late show Fri, and Sat, 11.10 2 DEATH ON THE NILE (A), WK. and Su4. 2.00. 5.00. 8.00.

CAMDEN PLAZA (Opp. Camden Tam Tube), 485 2443, Oshima's EMPIRE OF PASSION (X), Pross, 2.25, 4.30, 425, 5.10,

CLASSIC 1, 2, 3, Havmarket, (Pictodity Circus Pube), 839 1527, Ellicit Goold, James, Brolin, Telly Savalas CAPRICORN ONS (A), Cont, from 1245

CLASSIC 1, 2, 3, 4, Oxford Street (our, Tottenbath Court Rd. Tube), 53d 0310. U and A progs. Children hal-pros 1, 2, 3i Elliotz Gould, James Brolla, Telly Savalas CAPRECORN DNE (A). Cont. from 12.45, pro. A: Clint Eastwood EVERY WHICH WAT BUT LODSE 14AJ. Proces, 1.20, 3.33, 5.56, 0,05, Late show 11 om;

5.55 Nationwide (London and South-East only). Weather for Spotland.

day.

Scotland-10.09-10.23 am For Schools, 5.55-6.20 pm Reporting Scotland. 11.40 News and

day. 6.50-7.20 Heddiw. 11.40 News and Weather for Wales. 7.39 Coronation Street. 10.00 News,

an

9.09 Danger UXB

7.00 The Ken Dodd Show

8.09 Feet First. 8.30 World in Action.

with us, and like the Timeform Although the latest volume David Phil Raceborses Annual, il is show- in the long line deals with 1976. the bush. Pure and simply an account a ready market, for the review hunter-chasers' event:

Acolher well established turf Northumberland Plate winner attack and died in mid-air at

between the two courts performby Luxembonrg, and implement

in black and white.	6.50 Question of Sport.	Northern Ireland - 3.53-3.55	10.30 The Eamonn Andrews	Mitchum and Terega Wright,	"A momonious evening's theatre " Time	"If you don't largh see me." O., Exp. A Natifural Theatra production	S.50. 0.03. Late show 11 om: CLASSIC Lefcester Sq. 930 6915.
	7.20 The Rockford Files. 8.10 The White Tribe of	pm Northern Ireland News, 5.55- 6.20 Scene Around Six, 11.40	Show. 11.30 Snooker — Holsten Lager	HTV CYMEU/WALES—As HTV General Service except: 1.20-1.25 pm Ponewdau New, ddion y Oyde. 2.00-2.23			CAPRICORN ONE (A), Cont. from 1.00
BBC 1	Africa.	News and Weather for Northero	International.	Hamddon, 2.25-3.20 Atlat Noon Plus.	Vis- 1-7, 27 7. J, 24 7.30 With: Thurs, Fri, Sat. Mon Law orice peris AS YOU LIKE IT and Bronson Howard's comedy SARATOGA Inext peri 25 Jani, RSC also al THE WARENOUSE 1900 under Wit	PHOENIX THEATRE CC. 01-836-2294. Evs. 8.00. Wed. 3.00. Set. 5.00 and 8.50 DIANA RIGG. JOHN IHAW NIGHT AND OAY A New Pisy by TOM STOPPARD Orrected by PETER WDOO	OTT. CURZON, Curzon Street, W11, 499 1737.
- 9.15 am For Schools, Colleges. 10.45 You and Me. 11.00 For	9.00 News. 9.25 The Monday Film: "The	Ireland. England - 5.55-6.20 pm Look	12.25 am Close: Readings from Jung, with a painting by		25 Jani, RSC also al THE WARENOUSE	A New Play by TOM STOPPARD	CURZÓN, Cuizon Street, WT, 499 3737. Phillipp: Noiret, Annie Cipado, in DEAO INSPECTOR IAA). (English public). P95-2.00 mor Suni), 4.05. 8,15 & 0.30.
Schools, Colleges. 12.45 pm	Mechanic" starring Charles Bronson.	East (Norwich]; Look North (Leeds, Maochester, Newcastle);	John Bellany. All IBA Regions as London	axcept: 1.20-1.30 pm Raport West Head-	AMSASGAUD'S. CC. 01-838 1171. Evs. 8 00. 10-75. 2.45. 5at. 5.00. 8.00.	QUEEN'S. CC. 01-734 1108. Nav orice Prevs. troin 31 Jin. Opens Feb. 6. TOMMY	LEICESTER SQUARE THEATRE. 930 5252
News, 1.00 Pehble Mill. 1.45	11.00 Tonight.	Midlands Today (Blrmingham);	except at the following times:		CERALO F'000	by PETE TOWNSHENO AND THE WHO	THE FIRST GREAT TRAIN ROBBERY (AAI, Progs. Com, Wks. and Sun. 1.50
leges, 3.15 Songs of Praise, 3.53	11.40 Weather/Regional News. All Regions as BBC-1 except	Points West (Bristol]: South To- day (Southampton): Spotlight	ANGLIA	1.25 pm News Headlines and Road	AGATHA CHRISTIE ?	by PETE TOWNSHENO and THE WHO A ROCK MUSICAL with ALAN LOVE, PETER STRAKER, ANNA NICHOLAS and 208 GRANT.	LEICESTER SQUARE THEATRE, 930 5232 THE FIRST GREAT TRAIN ROBBERY (AAI, Props. Com, Wks., and Sun, 1.50 5.00, 8.20, Seats bible at Box. Office or by cost. for 8.20 orog. Mon.Fri, & III orags, Sct. & Son, No Jate show booking.
· Regional News for England a	at the following times:	South West (Plymouth).	1.75 pm Anella (Jews, 2.00 House	Report. 5.15 Carloon. 5.20 Crossicads. S.CO Scotland Today, 8.20 Crimedesi.	AFOLLO, CL. 91.437 2083. Evs. 1.00. Mats. Thirts. 3.00. Sat. 5 00 and 8.00. PAUL OONEMAN, LANA MORRIS.	the second second second second second second	ODEON LEICESTER SQUARE 930 6111
	Wales-1.45-2.00 pm Pili Pala. 4.40 Crystal Tipps. 4.45-5.05		Party. 2.25 Monday Film Metineo: "McNaughton's Oaughter." S.15	S.30 Sale of The Contury, 10.30 From The Top. 11.00. Lato Call. 11.05 The	PAUL OONEMAN, LANA MORRIS.	RAYNONO REVUEBAR, CC, DI-734 1-83 AI 7.02, 9.00, 11.00 parts, Doen Sun, PAUL, RAYMONO DIESetts THE FESTIVAL OF EROTICA Fully alf-conditioned.	progs. dly. Ilocrs open 1.30, 4.30, 7.45.
Jackaoory. 4.40 Playbouse. 5.05 H	Bohol Bach. 5.55-6.20 Wales To-	BBC 2	University Challenge 6.00 About Annha. 10.30 Feature Film: "The	Oatzchives-Columbo.	CARMEL MCSNARRY SHUT YOUR EYES AND THINK OF ENGLAND		ODEON MARELE ARCH. 723 2011-2. FORCE 10 FROM NAVARONE (A). 572. props. Oally peors open 1,30, 430. 7.45.
		10.30 am Multi-racial Britaio. 11.00 Play School.	Legend of Lyleb Clere," sterring Kim Novak, 12.55 am Reflection.	1.20 DM SAULABID NEWS, 2.00 MOUSE	PAUL OUNEMAN, LANA MORRIS. OENNIS RAMSOR' CARMEL MCMARRY SHUT YOUR EYES AND THINK OF ENGLAND ZNG WILKECLY FUNNY YEAO, "Very YOTY 10384, BIGHT enicitainman," NCW.	ROYAL COURT. 730 1745. Mon-Fr. B. Sats. 3 and 8.30. MARY BARNES	
TT CROSSWORD	DI 1771 E N. 2 971	2.15 pm Let's Go. 2.30 The Craft of Se Potter.	ATV	paria, 12.25 Monday Malinee: My Cousin Rachel, starning Olivia de Haviliend, S.15 Sinbad Junior, 5.20	ARTS INRATEL 01-313 2132. TOM STOPPADO'S	by Ozvid Roger -	ODEON HAYMARKE7, 930 2738-2771. MIDNIGHT EXPRESS 00.4 - See. Progs. Drily '2.30, 8.30, 8.30 pm: All stats bkhie.
F.T. CROSSWORD I	FUZZLE NO. 3,0/1	3.00 That's The Way The	1.20 pm ATV Newsons: . S.1S Oh No. It's Selwyn Freggult, 5 00 ATV Today.	Crossmeds, 8.00 Ocy by Day, 8 45 Diel.	"Hilarious sec it." Sunday Times. Mon. to Thuisday 8 30. Friday and Soundays 7.00 and 0.15.	ROYALTY CC. 01-405 80045. Mcrday-Thursday evenings 2.00. Friday 5. 5.00 and 0.45. Sala 3.00 and 8.00. BUBBLING BROWN SUGAR	All stats bitle.
1 2 3 4	5 6 7 8	Money Goes. 3.30 Delia Smith's Cookery	10.30 Lett. Kubt and Centre, 11.00 Uut	Barton-Joeciel Agent 10.30 Southoin News Eatre, 10.35 Star Tientmont, 11.05 The New Avengers, 12.05 am Farm	ASTORIA THEATOB. CC. Charing Cross	BUBBLING BROWN SUGAR	APRINCE CHARLES, Lek. 5g, 437-3781. "Walerish Borowczyk's THE BEAST" "MLondon XI Sto Parts The Unit Sun
		Course. 4.00 Modern Language Teach-		Ptogross.	ASTORIA THEATOS. CC. Charing Cross Reed. 334 1291-439 8031, MonThurs. 8.03 off. Fri. and Sat d.00 and 8.45. ELVIS	Bubbling both Socak 8:3: Mus-ci ci 19:7 Book by telephone for the entire family. Easy osrklag.	WAIRING CHARLES Loc. Sq. 437.3787. Wairisn Borowczyk's THE BAAST London SJ. Sto Perfs, Dy. linc. Sunt. 3.05 Si3-6355. Lts. show FT 4-34. N. S. Lkrd. Bar.
		iog.	BORDER 11.20 pm Bordar News 2.00 House-	TYNE TEES	PEST MUSICAL SEVIS TO BAR 8.45. PEST MUSICAL OF THE YEAR EVENING STANDADO AWARO SECONO GEOT YEAR Gr. uo brokings 01-437 2/56	SAVOY THEATRE, 01-R30 8888. Credit Cards 01-734 4772. TOM CONTI ACTOR OF THE YEAR	STUDIO 1. 2. 3. Oxford Circle. 437 3500. 1. An All Sur Cest in Robert Aliman's A WEDDING (AA). Progs 220, 510 7.55. Ltc. Show Sat. 10.45. 2. Agron. Christina DEATH ON THE NILE 13. Scc. Ports. Div. 2.00, 5.00. F.00. Lar, Show Sat. 11.00. Setts Ehrle. 3. JU. Chrvauch. Alas Bates in Paul Mazursky's AN UNMARRIEO WOMAN (X. Progs. 1.05. 3.30, 8.00, 8.35. Lte. Show Sat. 10.50.
		5.35 News on 2 Headlines.	Darty, 2.25 Mannee, 'Take One False Sten, 'Station William Poyall and Shelley Winters, 515 University	9.25 am The Good Vieta, followed by Nnigh Bast News Headlines, 1.20 pm	Gr. u0 bcokings 01-437 2756	ACTOR OF THE YEAR West End Theatr Awred In	A WIDDING (AA). Progs. 2.20, 5.10. 7.55. Ltc. Show Sat. 10.45.
		Floorwalker." 6.10 Animal World.	Challenge, S.CO Lookaround Monday.	North East Nows and Lookarnund, 2.75 Family, 3.20 Generation Scenn, 3.35	CAMBRIDGE. CC. 01-036 6056, Evgs. 8.00. Mats. Thers and Sat. 3.00 TROUBADOUR	PLAY OF THE YEAR WHOSE LIFE IS IT ANYWAY	NILE 1A). Sco. Ports. Div. 2.00, 5.00. F.00. Lis, Show Stt. 11.00. Seats Bable,
11	12	6.55 The Woter Margin,	6.20 Cartnon Time, 10.30 Report, \$11.00 Late Film: "The Knack, end How to Get 1." element Rite Tushing-	Corloon Time, 3.50 Lossie, 5.15 University Challenge, 6.00 Northern Life, 11.30 Winners and Losers, 12.00	A new Tusita starring KIM SEADEN, JCHN WATTS The best Britch Production of a musical	ACTOR OF THE TEAR West End Theatr Award In PLAY OF THE YEAR WHOSE LIFE IS IZ ANYWAY by Srian Clark: "A momentous play. I urge you. Io see it." Gdn. Brenirds S.CC. Mats. Wet. 3.00. Scts. S.dS and 8.45.	5 JU Clavburgh, Alsa Bales in Paul Mazursky's' AN UNMARRIEO WOMAN X. Props. 1.05 3.30, 8.00 8.35, Ltc.
		7.40 In The Post. 8.05 Mid-Evening News.	ham. 12.30 om Border News Summary.	Epilcoue.	The best Erilah Preduction of a musical since "Camilor" Brenda Marshall Cablal Radia CREDIT CAPD: WELCOME		. Show 54, 19.50
	13	8.15 The Marti Cainc Show. 9.00 Mooty Python's Flying	CHANNEL	ULSTER	CRITERION. From 8.30 am. 030 3216.	SNAFTESFURY. Ball price preview Wed at 8. Opens Thurs at 7. subs eves 8. Mat Shirs 330. La GRANO MAGIC CIRCUS	
行, 建物的运行的 14		Circus.	1.18 pm Chennel Lunchtime News and What's On Where 2.25 The Monday	1.20 pm Lunchtome, 2.25 Keep Uo With Yogo, 2.55 The Friends of Man, 4.18 Uleter News Headlines, 5.15	0.00. Fr. and Sat. 5.45 and 0.20. "THE MOST HILARIOUS PLAY FOO	From Paris in A EAWDY NEW MUSICAL "1,005 NIGHTS" Loomey songs, crezy caps, marvellously colouriul exoberant fon." Le Monde.	ART GALLERIES
16 17		9.30 The Body io Question. 10.20 Areno.	Metinge: "1 goal in Danger." 5.15 University Challenge. S.00 Channel	Carton Time, S20 Crossranda, 600 Good Evening Ulster, 1030 Mondey	GLCO JOO by Michael Hastings.	STRAND, 01-535 2880, Evenings, 8.00	
18		¹⁵ % Tele-Jon rnal. 11.25 Late News.	News. 8.10 Solderman 10,28 Channel Late News 10.32 Country Style 11.00 The Suspense Film. 11." 12.40 em	Nicht, 1040 Hawaii Fivo-O. 11.35 Redumo.	CREDIT CLAPPS WELCOME CREDIT CLAPPS WELCOME CREDITON From 8.30 am. 030 3216. CC bkgs. 03d 1071, 4%. Man, to Thir. 0.00, Fr. and Sat, 5.45 and 050. "THE MOST HILARIOUS PLAY FOO YEAS" Finapri-1 ilmes. GLCO JOO by Michael Havings. Comic delinum as stricke after strike of churzoa domcisacs Britan Om-taiderm BUSFICLLY FULNY. Times	STRAND. 01-535 2880. Evenings 8.00. Met. Thurs. 3.00. 536: 5.30 and 8.30. NO SEX PLEASE. VYPRE BR7/5H LANDOWN PLEASE. 1104	FISCHER FINE ART: 30 King St. SL James's S.W.T. OT-535 3542. MIKEO EVITITITAL Intellion Henry Moort. Paul King. Eson Schleie, etc. Mon-Fri. 10-530; Sats TO-12.30. FINE ART: SOCIETY 148. New Bond St. W. J. DI-529 0116. BRITISH ARTS St. 2010. Century.
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24 25		Bang. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News plus	Theatra Show. 10.30 Pellections. 10.35 Soorthcoll Soccial. 12.05 am Grampion Lato Night Headlings.	State 11.00 The Suspense Film. "It." starring Roddy McDawall, 12.40 em Faith For Lile, 12.45 West Country	OURE OF YORK. CC. 01-336 5122. EVENING, BOD DM. Fri. & Bat 5 37 330. TOM FELICITY COUDTEMAY KENOAL	STRATEORD-UPON-AYON, Royal Shaka- somere TheAtte (0789) 2371. Tekens Immediately swallable for RSC in THE TAMEING OF THE SHREW Sonishi. Jan 23 MFAUITE OFF. HE SHREW Sonishi. Jan 23 MFAUITE OFF. HE SHREW Sonishing 17. 74 AND 18 Jan 20. Recorded booking Info 107891 60191.	01003
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1 Catalogues about the French	1 Abates when the lease has expired (4, 2)			In The Tale.	GAPRICK, CC. 07-826 4001, Evs F.O. (shard' Wed. 3.01, 541, 5.30 and 8 50, DENIS QUILLEY In 19A LEVIN'S		
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U WIND IN A FOCTOT COCLOTV		Aurnett, 2.00 pm Tony Alackbum 4.00 Andy Reeblas, 5.30 Novembert, 5.45 Kid	stand (5). S.45 Homaward Bound (S)	Happiness, Arvan 930 Kalcidoscope. 959 Viesther, 10.00 The World Tonight	GLOBE TNEATRE. CC. 01-437 1592.	PATRICK GARLANDY advertion of	ADVERTISEMENT
10 A straoge offspring-but	6 There is space in the county	Andy Peobles 5.30 Newsbert. S.45 Kid Jensca, C.31 Stayin' Alive. 7.30 As Radio 2, 10.02 John Peol (SI, 12.00-2.02 am As Radio 2.	Wiomore Hall Summer Fastivel 1978: Song racital, ourt 1 (St. 8,15 The Art of Saul Steinberg (Jak by John Hallada) 25 Vicence Hall ont	10.30 The Great Divide 11.00 A Book At Bortime, 11.15 The Financial World Tonicht, 11.30 Today in Parliament,	GLOSE TNEATRE. CC. 01-437 1592. Eva. 0.15. Wed. 3.00. Sat. 4.00. 8.40. PAUL ECOINGTON. JULIA MACKENZIE SENJAMIN WHITROW	GOSENWOOD THE	RATES
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11 John Bull's counterpart over-	7 A collection the writer must not miss (4, 4)	S.00 am News Summery. S.02 Opvid Allan (S), 7.32 Ray Moore (S) Includ-	UYONGK 31, 1035 6Lich (S).	BBC Radio London 5.00 om An Radio 2 8.30 Rush	"This must be the haberst laughler- maker in London." O. Tel. "An irresistible micrisble erzning." Sun. Times.	YICTORIA PALACE, CC. 01-828 4735-6.	Line Contraction of the second
12 A brace for fifty in a car (6)	g Stretch that expresses (thought (g)	ing 8.27 Racino Sulletin and 8.45 Pauso For Thought, 10.02 Jummy Young IS1, 12,15 pm Waaponers' Wolk, 12,30 Poto	Jazz in Britein Lysis (S), 11.55-12.00 Nowe.		GREENWICH THEATRE. 01-856 7755. Evenings 8.00. Mait. Sats. 2.30. DA by H. 1.1 Re-1-40. " It was a loy to see." O. Tel.	Even 7.50. Mats. Wind. and Sat. 7.40. STPATFOPD L'HAS	Commercial & Industrial Property 5.30 16.00 Residential Property 2.30 9.50
14 Sugary melody (5, 5) 18 More spollt oddly enough in 13	3 Society girl finds it on the	Musraw's Ocea Nouse (S), 2.30 David	RADIO 4	6.10 Look, Ston, Listen, 7.30 Alirak Londoners, 8.30 Aroak Introuchi 10.03	HAYMARKET. 01-930 9032.	ANNIE	Accolonitementa S.30 16.00 Auvinaba Srinvestment
the capital (10)	way in—but there is no credit ln it (5, 5]	Hamilton (S). 4.30 Wagoonors' Walk. 4.45 Sports Oesk. 4.47 John Dunn (S). 6.45 Sports Oesk. 7 02 Music From The	2.00 am News Anefing. 6.10 Farming Wook. 5.25 Shipping Foracost. 2.30	Londoners, 8.30 Broak Istourili 10.03 Late Night London, 12.00-Close Aa Radio 2.	HAYMARKET. Evgs. 0 00. Wed. 2.30. 5af 4.30. 8.00. PENELOPE KEITH HAWTNOONE KAY	WAREHOUSE. Doomer Theore. Covert	Corporation Logne,
22 Justification of sanity (6) 23 In Guyana two artiats join	5 Engineer comes up to the fellow on the way out (g)	Movies (S), 7.30 Alen Oall: 7.30 The Pance and Pavs. B.02 The ard and Snund [S], 8.02 Humohrey Luttelron with The Bert of Jazz on records (S).	Vuex. 8.29 Snipping rorecust. 930 Today: Magazine. including for Star Naws. 7.30, 8.30 News hadjings. 7.45 Thought for the Osy. 8.35 The Week on d. 8.45 John Endon with the B&C Sound Archives. 900 News, 9.05 Start	London Broadcasting	HAWTNOONE KAY ANGHORAO DEES and IAN CGILVY In THE MILLIONATRESS Sy GERMARO SNAW	WAREHOUSE. Doginar Theory, Corety Control Bor Office Stat FRD Sharesere Co. Yor't concer Wed & DO Mary O'Malker's LOOK GUY. INNER COMES TROUBLE TWILdy, INNER COMES TROUBLE TWILdy, INNER Mail, WID: THU. Fri, Sta 200 new ports Norord Biker's THE KAR OF PIE CAOT. All seets \$1.50. Adv thus Addirect,	Productico Capacity, Businaeses for Selar Wanted 5.25 19.00
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	turbed rest (S) 7 Have a good time, but not	introduces Round Midnight Including	Sound Archives, 9 00 Nevra, 9.05 Start The Wook with Richard Baker, 10.00	ooris. 3.00 Goorgo Gale. 4.00 LAC Re- ports. (continuos). 8.00 Alter Eight.	KINGS ROAD THEATHE. 01-352 7488. Oaily Mon. to Thurs. 0.00. Fri. and Sar. TNE ROCKY HORROR SHOW OON'T OREAM 17. SEE 1T.	GAOL All seats £1.50, Adv Skas	Rock Publishers 2.00
25 dherent to raise his voice	in the conntry (2, 2, 4) 9 Obstacles for receivers (6)	12 PO News. 2.00-2.02 am News Sum-	The Work with Richard Baker. 10.00 News 10.05 Wildlife. 10.30 Orily Service. 10.45 Morning Slory 11.00 The Airth of "The Insteam" 11.45 Instea	9.00 Nightino. 1.00 am Night Exita.	OONT OREAM IT. SEE IT.	WESTMINSTER THEATRE. CC. 634 0263. I 2.30 and 8.00. Sats. 2.30 and 3.30. "TOSEPH AND THE AMAZING TECH- NICOLOR DREAMCOAT" by Tim Rite and Andrew Lloyd-Worbor. 22, 63. 64. BOOK NOW-CLOSING PER 37.	Primium positions available (Minimum size 40 column com.)
26 Becoming weary of dressing 20	0 It'a easy for one current io	RADIO 3	Arth of The Listencr. 11.45 Liston With Mother. 12.00 News, 12.02 pm You and Yours 12 27 Quote	Capital Radio 6.00 am Grahom Ocno'a Break(mat	LYRIC TNEATRE, CC. 01-437 3085. Evs. e.00 Thurs. 3.00. 5at. 5.00 0.30. e.6.8BARA JEFFORO JEFFORO FILUMENA	NICOLOR DEEAMCOAT BY THE NICOLOR DEEAMCOAT BY THE NICOLOR DEEAMCOAT BY THE NICOLOR DEEAMCOAT	El 50 per single column cin extre For trither detalls write to
(6) 27 Socialist-slanted command 21	line (6) 1 Object for a sailor to reach	6.55am Weather, 7.00 News 8.05 Matth	Unouote 151, 1755 Weethot, nro- ottamma nows, 1,60 The Matid at One.	12.00 Mike Allen (3). 3.00 pm Kanar (Classified Advertisement
(4, 4)	(6)	ing Concert (S). 9.00 News. 9.05 This Woek's Composer: Frenz Berwald (S).	1.40 The Airbers, 1.45 Shipping fore- cast, 2.00 Neves, 2.02 Vigman's Hnur.	Scott (S), 7.00 London Today (S), 7.30 Adrian Lovo'e Open Lino (S), 9.00 Nicky Hama's Your Mother Whildh'i	by Eduatice de Fillipo Oriections by FRANCO ZEFFIPELLI Society of West End Thottre Award COMEOV of The YEAR "TOTO L THUMPH" E. Nows. "AN	WHITEHALL CC. 01-930 6693-7765 Manday to Thurs 8.00, Malloeg Fri, and Sal. 6.15 and B.45,	Manager, Financial Times,
The solution of last Satur	day's prize puzzle will he	Ing Concert (S), 9,00 News, 9,09 Ins Woek's Composer: Frenz Berwald (S), 5,00 Telking About Music (S), 10,20 Scottah University Concert, 0=tt 1 (S), 11,00 Interval Reading, -11,05 Concert, pert 2, 11,35 B&C Scottish Symphony,	4 35 Story Time 5 00 PM News made-	Life It (S]. 11 00 Tony Myail's Late Show (S). 2.00 em Poter Young's	"TOTOL THILWAYH" E. Nows. "AN EVENT TO TREASURE" O. MIR. "MAY IT FILL THE LVOIC FOR A HUNDRED YEAOS." Sunday Times.	Exciting Black Arrean Musical, A outpeting musical, Seat Prices 22.50 or 55.00.	- 10, Cannon Stret, ECAP 4BY
published with names of winners	i next Saturday.	pert 2. 11.35 &&C Scottish Symphony,	Weather, programme nows, 6,00 News.	Night Flight (S1.	YRAOS." Sunday Times.	FOUOTN GREAT YEAR.	

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Financial Times Monday January 15, 1979



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The venue is the cross-country

run orgaoised by Uncle Len, in which the athletic Simon is

hotly tipped for a new record for the course, and where Staf-ford tries to win Doreas back

by posing as a reporter. Or

possibly the venue is the Com-mon at night, and Ahigail and

Simon about to commit adultery

al fresco, a venture bandicapped by the chance that Len is busy

trying to track down suspicious folk thought to be committing

Whichever course events take,

their sequence is happily logical. Events in Ayckbourn plays always proceed logically, if not

wisely or even predictably; it is his firm adherence to possibility

that makes bis plays so funny.

To choose between the different

unnatural practices."

Covent Garden

Don Pasquale

by MAX LOPPERT

The rest is uneven, but at the contre of the current Don start, Cotrubas's tone soon Pasquale revival are two incom-filed out and cleared in a way parably fine performances to make one fall in love with Geraint Evans' of the title role, bet all over again She has the Heana Cotrubas, of Norina, her all over again. She has the The shallow and often inapposite gift, matchless in Donizetti jokiness that afflicted the original 1973 production by Jean-Pierre Pornelle has been Jean-Pierre Pondene has been increasing the implanty of her toned down by Charles Hamil- line, of tightening its legato ton; who now stages Bonizetti's binding, in response to the drasma-buffo. Even so, comedy intricacy or complexity of the still tends to be expected in comedy. So "Via, caro, sposino" terms of stage business — was at once charming, tender, Ernesto's elaborately choreo planant, and lovely to listen to graphed entrance at the start —the right combination of virand Norina's duenna with ber giant knitting needles form the most obtrusive examples-rather than of character. Yet with thesa two supremely vivid players as antagonists, the portrayal of character is strong enough to outweigh any attendant cosmetic application, and the opera gains in sentiment as well as in bigh good humour. With each revival Sir Geraint bas grown more surely into the part of "an elderly bacbelor, cut along antione lines, economical, credulous, obstinate. a fellow at bottom " (the description is taken from that first edition of the score, as -at the role, bas so far dis quoted by Weinstock). The poris now impeccable in trayal detail down to the unexaggerated stiffness of joint, especially in the kneecap area; it is delightful in action, full of subtly touching illuminations (as in the heavy, final way in which Pasquale collapses nn to his chair when slapped, a moment of real pathos); and roired with the dark, staady frow of tone the singer has not always guaranteed, in recent seasons. His is a performance so carefully controlled as to seem entirely spontaneous.

Purcell Room

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Young Artists by NICHOLAS KENYON

Lane Group series presenting Balllie's account was- at all Bennett's chamber works: Still, better not to force these artists into a monid in which they will Friday night the chance was

After a slightly tremulous her all over again. She bas the comedy in particular and in operatic comedy in general, of increasing the limpidity of her -the right combination of virtues at exactly the right moment.

Between the two, the play flashed and sparkled, holding the sympathies of the audience in a just and precise balance. Tha quartet of principals was, as a whole, not so well balanced. Stuart Burrows acts an unromantic, Pickwick-ish Ernesto, though the voice sounds (mishap in the closing bars of "Cerchero lontana terra" notwithstanding) in good shape, forward and clear. Malatesta demands a rather smoother conjunction of voice and manner than Jonathan Summers, in his first attempt covered. (The danger that those garisb checked tronsers will come to dominate the singer who wears them is one that has so far been resisted only by the unforgettable Seso Bruscantini.) On Friday, the orcbestra made a bumpy impression in the overture; but enough was both lyrical and vivacious about the later stages of the opera to persuade ona that the young Italian conductor Riccardo Chailly (making his bouse debut) understands what is most important in this unfailingly andearing opera.



young artists in 20th century points deeply considered; he music bas not had a week-long never nutreached himself tech-theme to match last years nically nor took refuge in sur-exploration of Richard Rodney face brilliance. Those are rare virtues these days. The evening's other work by Justin Connolly was his marvelfeel constricted. When the monid lous 1966 Cinquenaces for press fits, so much the better, and on quintet. The five girls (co. incidentally or didactically?) of

Geraint Evans and Jonathan Summers

Teatro la Fenice. Venice

important

Il trovatore by MAX LOPPERT

theatre-is there another in the world more enthralling to arrive at, more beautiful to be in, more comfortable for the major part of the operatic repertory, from the small in scale to the medium-large?-has falleo upon difficult times. Last May a bombsbell landed upon the Italian opera bouses, as opera bouse superinteodents, artistic directors, and other concerned persons were taken ioto tempo-rary arrest for baving allegedly violated Italy's byzantine regulations governing the hire of artists. The result, at the Fenice, was the removal of the superintendent, Eugenio

This great and

Bagnoli. But internal troubles in the theatre had already been simmering for some while, and bad already led to the forced resignation of the composer Sylvano Bussotti, for three years

the theatre's highly controversial artistic director. (The intricacies of the particular situation, and of the Italian Friday night the chance was incidentally or didactically?) of situation, and of the Italian operations taken to justapose the cellist the Gallina Quintet never quite addente complexity, are as difficult for Pasquele Grossi mixed bone-dry

of a former Fenice musical director, the conductor Ettore Gracis. Bagnoli bad already mapped out a season: the precarious halance of finance in the theatre now required a 50 per cent cut in the projected budget. fmportant new productions-the Wozzeck that was to open the season, produced by Götz Friedrich and conducted by the Venetian composer Giuseppe Sinopoli; Die Zouberflöte, pro-

duced by Giorgio Pressburger, conductor Zoltan Pesko-had to he scrapped. The bill of fare that remained consists almost entirely of hasic operatic reportory-Tosca, Barbiere, Trariata and so on, with only a visit by the Moscow Chamber Theatre-

(bringing Shostakovich's The Nose) and the Venice premiere of Sciarrino's Aspern to promote any artistic novelty.

In the circumstances, the level of competence reached by the Trovolore that opeoed the season last month seemed something of a miracle. Economic constraint, as a bind rather than as a stimulus to the imagination, showed through in the mise-en-scene. The sets by grey props (a stage variously littered with skeletons, collapsed castle walls, and medie-

Alberto Fassini's production

Maag drew comnaratively tidy

former bigh standards were Britten's

playine from an orchestra whose

relying on the artistic counsel

tinction one expects of him-a serious, musicianly and, in the sense of drama was only inter- final rising phrases of " Prima mittent in the performance, and the score was disfigured by traditional " cuts.

But the all-Italian cast was, at the very least, acceptable and, at best, very good. Fiorenza Cossolto's hell - for - leather Azucena and Franco Bonisolli's Manrico ta performance jostlung vocal crudity and sensitivity in unpredictable succession) are current international fixtures, and were on no worse than their usual form. Rather more pressive showing here than in the Covent Garden Luiso Miller last July. Katia Ricciarelli made very touching heroine-

Aldeburgh Festival 1979

The 32nd Aldeburgh Festival Music Theatre and Peter Maxwill run from June 8 to 24. Righlights in the programme include two performances of Chalkovsky's Ergeny Onegin, a centeoary production partly financed by Northern Star In-surance to mark the opera's first performance hy students of Moscow Conservotory, The cast, with Richard Jackson in the formed by Jan da Gaetani; a

young and the Snape Maltings

Training Orchestra will he con-

ducted by Mstislav Rostropo-

Church

Other operatic events \are

Parables

reciter.

che ad'altri." very beautiful. (Earlier, the voice was not always as sure in flow as its use implied.)

وكذاء التجر

And, as a whole, the evening added up to more than just "another" Troratore, Hearing Verdi in a theatre that gave birth to four of his operas must always be a little uolike other Verdi experiences. Aod then, the pressures on opera and on the opera houses in Italy have now the effect of forcing even ioteresting was Di Luoa, the the casual visitor to consider the dark-voiced. vigorous Giorgio meaning and the wider context Zancanaro - a much more im- of each performance he enconnters there. Meanwhile, phoenix-like once again, the Teatro la Fenlce is in business for the 1978-79 season.

well-Davies' Morturdom of St. Mopnus performed by the Fires

of London. New works receiving first performances loclude William shock. In the early numbers Alwyn's song cycle A leore-toking, sung by Anthony Rolfe | plenty, but by Op 26 and Op 34 Johnson; a setting of Neruda's sets a dour austerity enters the poetry by Danlel Welcher per-formed by Jao do Caetanic a minon parts). The sombre piano parts). The somhre pathos of the Chekhov setting "Prokhodit vsyo" and the restrained litt of the children's

Stephen Joseph, Scarborough Sisterly Feelings by B. A. YOUNG

The family is introduced in such affairs, displayed by the the first of four scenes, led by author with affectionate hatred. Ralph, their half-senile faiber. Whatever the consequence, it to see a corner of Pendon Com- will be overthrown in Scene 3. mon where he proposed to their mother. The Common is prettily sited by Jeremy Turner at the nave of the mund theatre, spill-ing up over the circumference on one side.

The family contains two daughters, Abigail and Dorcas, and a atudent brother. Melvyn, with their several attachments Abigail's young tyconn busband Patrick. Dorcas's intellectual drop-out Stafford, Melvyn's teenage girl Brenda. There are also Ralph's policeman hrother Len and his invalld wife Rita, and an unattached young man. Brenda's brother Simon, lately back from selling machine-tools in Africa. When it is time to leave, Patrick has already driven away to a conference. Either Dorcas or Abigail will bave to walk home with Simon. They toss for it

The fourth scene is similar. only the occasion is a wedding instead of a funeral. Melvyn's wedding to the unexpectedly sophisticated Brenda, and the tussle over Simon is ended, sisters still with their fornier escorts. Precisely what has happened in between I cannot tell you, for the demonic Alan Ayckbourn has hit on a new way of inducing us to go the thestre more often.

There are two versions each There are two versions each the *haute* bourgeoise Abigall, of Scenes 2 and 3, so providing and Judy Brideland, local-radio four potential plays with the one cast. It may be that on the picnic in Scene 2, Dorcas grabs Simon while Ablgail is kept out of the way flying Melvyn's kite. expert. I found John Arthur It may be that Abigall gets him as Len, the ever-suspicious while Dorcas flies the kite. In copper who foods crooks io the cither case, the picnic has all running brooks and crime io

versions is as pointless as com-paring oysters on a dish; it happens that the first pair I saw (Abigail at the kite, Simon on the track) pleased me more, but doubtless if I had come on different nights I would have reached different cooclusions. The playing, directed by the author, has the quality of ecouine observation that is so important in acting his plays; even Roblo Murphy's wet Stafford is within the bounds of likelihood. Alison Skilbeck, arts-presenter Dorcas, are skil-

fully contrasted, and Rubin Herford's parade of colonial machismo as Simon is most the worst characteristics of everything particularly funny.

Elizabeth Hall

Shirley-Quirk

by NICHOLAS KENYON

Jobn Shirley-Quirk made a the sequence an absorbing generous selection of experience. One sees his voice, Rakhmanioov's songs for bls as it were, through a glass contribution to the current darkly - but this suits per-Mainly Slav series, and per- fectly the withdrawn despair of Mainly Slav series, and per-fectly the withdrawn despair of formed them compellingly. The so many of the songs. Only in sequence of 18 songs included some from the early Op 4 of 1894, through to the Op 38 of 1916, the last solo soogs Rakhmaninov wrote. To anyone who thought of Rakhmaninov as a purveyor of gorgeous sonorities, the development of his songs must have come as a The first half of Thursday's

song "K detyam" are both

Yet the later songs do not

quite realise the varied emotional promise of the early

works. The Pushkin setting Op 4 No 4 has a perfectly-con-

trolled wistfulness, which is

articulated with features which

sound genuinely Russian-aug-

a couple of them did be seen too restrained: the deep fortissimo opening of Op. 14 No. 10 (over an ethereal piano accompaniment) demands real Slavanic bass to do it justice, and the full contrast of the final jovial song about the rat-catcher was underplayed. Nevertheless, these SOOSS should be far more often heard; perhaps Mr. Shirley-Qulrk will oow slog them more widely.

concert was something of an

embarrassment. Shirley-Quirk

delivered Ravel's delicious His-

toires Noturelles with some

which was so effective later,

dousing their precise bumour

with a solidly sustained vocal

line, And Cristina Ortiz, who

accompanied the songs colour-

Vladimlr Stefan Ashkenazy (snn of the well-established

pianist) in the composer's duet

transcription of The Rite of

young

lessly, joined the Vladimir Store

plangent sustained tone. place is based one could not possibly guess on the propor-tions and pitches of the hymn. of the baroque dance sulte, with a gigue, sarabarde and burlesca the centre. Baillie's control of note values and of expressiveness in the central sarabande was a marvel; and has meditative introversion realised nrecisely the content of the final movement ... a wandering set of echoes of the opening.

In this piece, it was easy to indge / him him an outstanding Earlier, in Britten's talent. Third Cello Suite, it had been more difficult to put aside memories of Rostropovich's compelling performances of the work Unsurprisingly, Baillie has not yet quite the allky beauty of sound or all-embracing conception of the embracing conception of the Adrian Slack bas been work which its dedicatee shows, appointed director of produc-Rostropovich's emotionalism Wexford Festival. Rostropovich's

thrmoil, in conjunction val statuary with a fancy line title role and Marie McLoughlin the inherited disturbances, in black drop-curtain movement, as Tatiana, is predominantly with perfect: poise, mixing first trumpet desk, but this work with the inherited disturbances. accuracy, with brusque attack, surely needs as much attention was that the ruling council of rhythmic skittishness with and as much precise ensemble the theatre resigned in foto. the theatre resigned in foto. shnwed Strehler influence with A commission set up hy Rome - out Strehler intelligence. Peter The as a string quartet. a not The Gallina Quintet also pre-

to investigate what one jourcapossibly guess on the proport sented the evening's new work, tions and pitches of the hymn. The Red Fox Burning, by Dear Lord and faiher of man. Rupert Scott Except In that kind ", but its five movements it did not begin to live up to suggest a symmetrical version the fiery passion of its Dylan Thomas title, this was a cheerful, satisfying work. Not over-exploratory in terms of brass

Greenwich

technique: the opening section had a reliance on fanfare figures, the central section a broody use of mutes and static cbords and the conclusion a fun exploration of rhythmic jokes Hugh Leonard's affectionate. and vulgar vibrato, all of which beautifully written play was a made it entertaining but unoriginal. But it was clearly the work of an accomplished writer and a good vehicle for the talents of the Quintet.

WNO appointment

for Adrian Slack Nevertheless, there were tions by Welsh National Opera ing, respectively, the middle- Charlie is as unsuccessful at moments where he showed a from July 1. Mr. Slack, who is aged playwright who has shaking off Da's remonstrations fully individual approach; his 29, is currently director of pro-harcarola had a tranguillity, ductions for the State Opera of after his father's funeral and was at giving hum the slip in and his fugue a careful, South Australia and was recently the "da " bimself, a crotchety, a local snug or on the beach appointed artistic director of the uneducated gardener who has died in his early 80s.

hit of the 1973 Dublin Festival reviewed again on this aud page in July 1977 when pre-sented at the King's Head. It is currently running on Broadway, where it has collected might have concocted wanderseveral awards. Robert Gil- ing through Dublin and over lespie's revival boasts two the Dalkey Hill except that Mr. highly accomplished perfor-Leonard's approach is less than mances that survive from the acerbic and more than senti-King's Head revival by Tony mantal. The sentiment, how-Doyle and Eamon Kelly, play- ever. rings absolutely true as ing, respectively. the middle-aged playwright wbo bas

Da by MICHAEL COVENEY The play steals carefully upon us, building a memorably detailed but critical portrait of Mr. Doyle plays Charlie Now, providing sbarp footnotes to the donestic squabhles of both his the old man through a subtle later life and his memory of compilation of reminiscent flashbacks. Old Tynan is the existing as Charlie Then (Mike McCabe), a likcable tcenager whose literary bent is sort of character Flann O'Brico

vich.

sadly lowered in the middle 70s. Curles River and Burning Fiery

but conducted without the dis- Furnace presented by English

threatened by an unsympathetic step-mother (Mary Chester). We also see the Da insultiogly paid off by Mrs. Prynne, a wealthy employer, after years of loyal service. The final straw for Charlie is the revolation that the Da has saved the mooey he has heen scot (presumably the fruit of Charlie's dramatic labours) and is giving it back to him in his will.

An excellent company in-

TENNIS

cludes good work from P. G. Stepheos as Charlie's first, exasperating employer and from Revin Moore as a goofy conteoporary, proudly extolling the virtues of elocution classes in a thick Dublin brogue. Bernard Culshaw's design, which opens evocatively out from the cluttered kitchen to include a spacious suggestion of a fine mackerel sky, and Nick Chelton's sensitive lighting, are

perfectly in touch with the mood of the writing. It all amounts to a gentle, lyrical entertainment that lingers in the mlod even if it does not exactly hit you squarely between

the eyes.

BY JOHN BARRETT

work by Alan Hoddinott for the

Pendyrus Male Choir; and

Walton's Fuende II, settings of

poems by Edith Sitwell lott un-

finished at the time of the

original Facode and now com-pleted, with Peter Pears as

ELIZABETH FORBES

note of falseness. yearning voice found a stronglyfocused intensity which made

wented intervals, powerful vocal recitative with sudden flourishes. Op 8 No 2 has a fuller and more lush piano part Suring. Suffice it to say that the account had neither the exact eosemble nor the individual than the later inliaby, yet it is characterisation which might wider in its range. One senses more of a creative ferment here make this fascinating version than later, and only in the huge worth hearing; hrilliant. of climaxes which dominate many course, to he able to play all of the early soogs is there a those notes - hut if this was the young Ashkenazy's Loodon John Sbirley-Quirk's mellow.

debut, it was a very unfair one. We look forward to hearing him in recital soon.

Arts Council music forum in London

unexpected and beart-searching, thing of the same heaviness

The Arts Council is to bold a the Council's music advisory public forum on The Arts panel.

Council and Music at 105. Picca- Members of the public are dilly. London WI on February 14 invited to apply for tickets and at 6 pm. The forum. the first of to submit questions in writing in Its kind, will be presided over by advance. Professor Basil Deane. Professor The f

The forum will cover all of Music at the University of aspects of the music department, Manchester, who is chairman of except dance.

SPORT

SOCCER BY TREVOR BALLEY

Liverpool can contain Albion's bid

to lose. Division are West Bromwich Albion, taking over from Liverpool, who have topped the league and it says much for the calm

since the start of the scason. to compare them but, there was much difference. Liverpool played an FA Cup tie against

Third Division Southend on thick snow and Albion took on. Norwich in a league game on a frozen pitch

goal-less draw on a pitch totally unsuited to the precise, cultured resources, are the most wina the ball seainst resolute times leave themselves open to the theory of the spectal content of doubles can be practiced football one expects from the improved Division One side and defenders. As a result, their a quick counter-attack, as Peters art of doubles can be practiced football one expects from the improved Division One side and defenders. As a result, their a quick counter-attack, as Peters art of doubles can be practiced showed when he stole in by the successfully only by older European champions.

attained Second Division status, still no Liverpool. or even had a remarkable Cup Albion, under their shrcwd. rnn. Despite the weather a yet flamboyant manager, Ron io the air. Regis, because of his record crowd saw an exciting Atkinson, who did so well at goal-less draw on a pitch totally Cambridge with limited Cambridge with limited resources, are the most

uropean champions. also very entertaining. Like mid-fielders and defenders feed showed when he stole in by the successfully only hy older It is never easy for a First Nottingham Forest at their best, them with many high, hanging far post to bead the equaliser. players after years of experi-

Division club meeting a side or Manchester United, when passes which one will try to lay This dropped point co from a lower Division with they burst back into the First off to bis two walting colleagues. them the League title.

THE NEW leaders of the First everything to win and nothing Division, or Aston Villa, two Southend gave everything, watch.

and it says much for the caim . The goal-hungry Albion, have of the Liverpool defence, which adopted a positive 4-3-3 for-Watching both teams in the looked less likely to concede a mation for both bome and away past week, gave me the chance goal the longer the game went on.

In bad conditions, or when they are below their best, inforced by Tony Brown always Liverpool remain so well dis coming forward into scoring ciplined and professional that positions. The lack of an they still achieve results. The orthodox winger is to some championship should go to a extent covered hy two full-hacks

Liverpool's visit was the most club able to pick up points who not only overlap important night in the history although occasionally out of entinusiastically. but, rather of Southend, who have never form. This is why my money is more importantly, are able to centre accurately.

timing and power, repeatedly shrugs off the challenge and wina the ball sgainst resolute

Ś

years ago, they are a delight to

matches. Their front line, of Regis, Alistair, Brown and Cunningham is frequeotly re-Mills.

while trying to find his way up

the local tart's skirt.

On Saturday, especially after balf-time, West Bromwich were less impressive in midfield than usual. But this bardly constitutes a serious problem as Cantello is waiting to return. and sitting on the substitutes' bench was the newly-acquired the most expensive twelftb man in the business. Their two centre-backs are powerful in the air, strong in the lackle, and have developed a fine understanding, so that the opportunities for opposing centre-forwards are rare. How-

ever, because Albiun commit themselves so eagerly and readily to attack, they sometimes leave themselves open to This dropped point could cost ence together.

top pair in the world when they captured the Colgate Masters doubles title, worth \$40,000, at Madison Square Garden on

Salurday night. In a mere 91 mioutes, and in spite of some reckless bebaviour from someone who threw marhles oo to the court they repeated Ibeir Wimbledon semifinal victory over Tom Okker of Holland and Poland's Woltek Fibak, 6-4, 6-2, 6-4, having earlier avenged themselves 6-1, 5-4, against Bob Hewitt and Frew McMillan, the South African pair who had beaten

them in the Wimbledon fical. These two results exploded the theory that the specialised

McEoroe, who is just short of

Young Americans win pairs title This ploy was less successful JOHN MCENROE and Peter bis 20th birthday, and Fleming, than usual against a spirited Flemiog, the young Americans, who turns 24 next month, played Norwich using a sweeper. established themselves as the their first tonrnament together in September 1977.

McEnroe was an amateur at Stanford University, with his sights set on the inter-collegiate

crown. He won that title last June and made his first professional appearance at Queen's Club during the week before Wimbledon, having turned down more than \$40,000

Two weeks later, McEnroe and Fleming reached the Wimbledon final, having beaten two other seeded pairs besides the No. 2 seeds Okker and Fibak -Stan Smith and Bob Lutz, and the No. 7 pair, Raul Ramirez and Fred McNair.

Since theo they bave beateo every pair of note in the world en route to titles at South Orange, San Fraocisco, Cologne, Wembley, Bogota and Olympia. That last success, the WCT

Braniff World Doubles Cham-

pionship, hrought each of them In addition, the doubles £20,000, a record pay-ont for matches are ofteo played at doubles and an indication that night, which can pose further sponsors and promoters are at problems for someone due to last recognising the value of play an early singles the follow doubles as a spectacle. iog day.

After all, most club players around the world play more still eager enough to play doubles than singles, and they can relate more easily to the four-handed version of the game. Often, doubles is more first player since doubles was introduced to the Masters at excitiog with its quickfire rallies and its greater potential for strategic use of the larger stage. The problems for the leading

players are ones of time, energy, prestige and money. With slandards continually risiog, men like Counors or Borg, who are expecting to contest the latter stagea of a tournament, need to harbour their reserves for singles, where prestige is greater and prize onnoey singles and 20 per cent to doubles.

in both finals), he will doubt-less be forced to curtail his doubles appearances simply by the pressure of his success in singles. Fleming's game, alheit erratic at limes, is a perfect foil for his subtleties; and by their performances together, to the past six months, they have

combe and Roche, McMillan and generally divided 80 per cent to Hewith Hoad and Rosewall, and Bromwich and Quist as one of

the game's great leams.

Stockholm in 1975, to appear

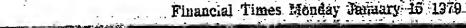
shown they have the potential

to ioin such immortals as New

15

Although at 19. McEnroe is

singles and doubles (he is the



Monday January 15 1979

Survival is not enough

go to the country last autumn. be took a double risk. The first was that the support from the small parties, which have so far kept him in power, would somehow run out and he would be compelled to face a general election at a time not of his own choosing.

The second was that the Lahour Party's chances of winning-which in the autumn late March or early April Is now must have looked, ahout evenwould deteriorate as the months ment may well be tempted to went by. Mr. Callaghan must try to soldier on for a few nbviously have hoped the contrary, hut the risk was consider- autumn, when the election able.

Decision

As Parliament resumes after the Christmes recess today, the prospects are that the Government can survive at least a little longer: The Ulster Unionists have suggested that they will keep Mr. Callaghan in office until such time as there is legis-lation to increase the number of Unster representatives at Westminsfer. That legislation is now imminent-and is thus from the Government's point of view a waning asset---but the prncess of putting it through should still he enough to ensure Ulster support for the next few weeks. The Government also looks safe enough for a while on the Nationalist front. Both the Scottish and Welsh parties want the referenduus on the creation of separate national assemblies

take place. They are scheduled to do so on March J. hut would have to he postponed if a general election were to he announced hefnre that date. Since the Government, too, wants the referendums to be held on time, the chances of an counted as remote-almost regardless of what happens in

the meantime. The time fnr decision will. therefore, come as soon as the suggested? Are they ready, if teferendums are out of the way, and it is here that one returns lar monetary and fiscal to Mr. Callaghan's second measures at which Mr. Denis gamble. By then, the Govern-Healey, the Chancellor of the ment should have delivered Exchequer, has sometimes most of its promises to the hinted? That is, the real smaller parties, but will its own importance of the next few programmers in the four of a work for minute to minute prospects in the face of a weeks. Survival is not ennugh. general election look any better. The Government will be on test than they did last autumn? in the country, even if the On present showing the election is postponed.

WHEN MR. JAMES Callaghan. answer must be "No." There the Prime Minister, declined to are, of course, still a few weeks in which Lahour could recover its reputation as the party hetter able to deal with the trade uoions, but at the moment it seems more than doubtful. At the same time, its claim to have brought down-and then contained-the rate of inflation may he looking distinctly jaded.

Yet the conclusion from that is not that a general election in inevitable. It is that the Governexpenditure. more months and indeed till Budget will depend on how the

hecomes unavoidable. Chancellur manages to halance . There would he inconstitutional in nothing the such political pressures. Neverthehehaviour: nor would it necesless, even at this early stage it sarily he impractical. If the

is possible to forecast, with fair referendums, and especially the reliability, some of the contents Scottish referendum, result in a of the Budget and accompanyyes vote for the assemblies, the Government might just secure the continued support of the Nationalist parties by the proan election does not upset the usual timing. mise of early assembly elec-tions. That would be sufficient tu keep it in office. It would also be understandable for Mr. Callaghan to decline to go in the country before he had to, if his of winning Thances were

uncertain,

Test The conclusion from that, however, is that the Governinent now has an exceptionally heavy responsibility, What Mr. Callaghan has shown so far is a remarkable capacity for sur-vival. There are not, after all, that many people who would have forecast a couple of years ago that his Government would still he in office today, or perhaos that it would have brought down the rate of inflation as far election before March must he as it has. But now the test has come.

changes in legislation. These Can Mr. Callaghan's team are sent up to ministers and if really control the unions in the manner that they have so nften approved in principle are for-maily prepared by Parilamen-tary draughtsmen. The legislaoecessary, to take the unpopution can go back and forth between the draughtsmen and revenue specialists several times acceptable.

A glimpse of some of the changes the next Budget might contain

BY DAVID FREUD

THE TIME of the annual Bill IE TIME of the annual Bill from the state of Budget jamboree is fast dialogue between the revenue approaching, when the and professional bodies. These Chancellor will be assailed hy parts of the Bill will be more an endless atream of imsolicited or less unchanged regardless of the colour of the Government advice on taxation and public on Budget day. The overall shape of the

The biggest of the likely changes concerns husiness expenses which are not allowed for tax purposes. These, known various economic and as "nothings," have been a hone of contention for years and in their recent recommendations CBI and hoth the accountants' hody have called ing Finance Bill-provided that for the " anomaly " to be removed.

British practice is unusual hecause of the application of a principle considered funda-mental in its tax law: the distinction hetween capital and income. For this reason expenditure incurred in order earn profits is tax allowable However, expenditure undertaken to get into a position where profits are possible are

The CBI argued that tax practice on "nothings" puts British industry and commerce at a disadvantage compared with overseas competitors and that the setting up of new husinesses and expansion of existing ones is discouraged.

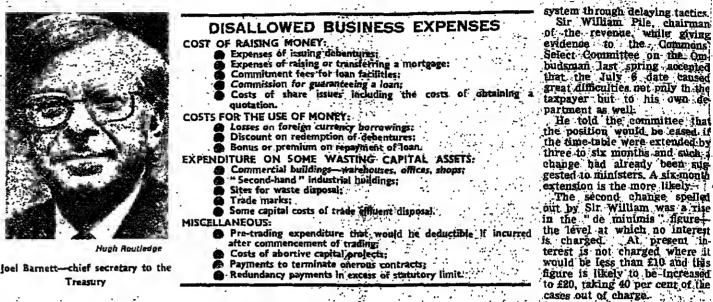
sympathetic .. to the be recommendations, especially as changes should cost relatively little. Furthermore, the revenue breached the capital-revenue distinction for the first time in November, when it.announced that it would give relief to mining companies for expenditure incurred on unsuccessful planning permission applicainvolved. tions. Until then such expenditure had been regarded as year by the introduction of capital spending, and thus not capital allowances for hotels, and elleible for relief.

that concession has already pro-duced a lot of anomalles. Sbops However, the complete disnical changes have seen the mantling of the distinction called for by the CBI and attached to hotel complexes, for light of day in the press release. The Floance Bill, which folinstance, have gained the benefit of the allowaoce, while other lows the Budget after a few is no general formula to make weeks and translates its provlthe switch and each item would sions into legislative language, have to be dealt with separately, is widely expected to he fairly taking up a great deal of legissbort this year. However, this. lative space and time. general impression does not de-Given this constraint, the rive from any specific minisitems most likely to he made tax terial statement and no one is allowable are the costs of raising confident as to what it implies money, pre-trading expenditure maney, pre-trading expenditure that would be deductable If with It is possible to gauge the incurred after commencement likely nature of much of the

unions which



Achiey Ashwo Sir William Pile-chairman of the Inland Revence



1974 will be extended. In his Jaymen as are the General Com-last Budget speech Mr. Healey missioners, represent the first costs relating to waste and said that if a permanent scheme There could be some move was not ready he would write towards extending the capital off the relief for the first two years in the next Budget. The halance of stock relief for the allowances granted to industrial buildings to commercial build-

year ending six years previously The CBI has urged a major would also be written off. restructuring of the exiating system of capital allowances, Since then, Mr. Joel Barnett, Chief Secretary to the Treasury, io which a company's buildings would be pooled rather than treated individually as in cur-rent practice.. The Ioland Ravenue is looking at this prohas said in a speech to chartered accountants: "I can assure you that the promise will be kept, and the appropriate legislation will be in next year's posal, but it is uolikely that Ministers will allow the sub-stantial legislative space re-quired, quite apart from the Finance Bill.".

Apart from the fulfilment of Government promises, additional changes in the tax relief However, Ministers may be on increases in a company's stock are likely if proposals -more sympathetic to giving allowances to new commercial sideration after technical contained in a recent revenue hulldings at 8 per cent a year, objections by the Tories: Subconsultative document are put into practice. as the CBI is pressing for. This would cest, only £100m in the. sequently the Association of British Chambers of Commerce into practice. to make partial claims of stock. bas argued that since the specials have taken over the first year rising to £200m-£300m in the third. The Inland relief and businesses to avoid Revenue is known to feel that there is no point of principle repayments of stock relief if their stocks dipped for a single The dam was breached last

poses, the specials should be up-A call by accountants to reopen past claims to .benefit looks increasingly likely. those businesses which did not bother to take advantage of what was introduced as a is charged on overdue income past and expectations of a retemporary measure is almost

extension is the more likely-The second change spelled out by Slr. William was a rise in the "de minumis" figureīπ the level at which no interest is charged. At present interest is not charged where it would be less than £10 and this figure is likely to be increased to £20, taking 40 per cent of the cases out of charge. Consortia step in complex tax disputes

groups

Sir William Pile, chairman f. the revenue, while giving

Hopes for other changes must be more limited at this stage although there will be developprotested at the unfair ments right up to Budget day-advantage the revenue bas and beyond. In last year's gained from the resulting Finance Bill there were substantial technical changes in at least six areas by the time the Act was approved, quite apart from the successful. Tory amendments on income tax rates.

. One area where companies will be pushing hard concerns consortia group relief. The CBI and accountants want trading losses of a consortium company to be available not only to the owning: companies pro rata but also to other companies in their respective groups, and trading losses of companies owning a consortium to be allowable against the profits of the con-

for capital gains, capital trans-fer and corporation tax pursortium company. Banks are calling urgently for poses, the specials should be up-graded. Such a change of status on foreign corrency borrowings. These two demands have been Changes in the way interest rejected several times in the

tax are almost certain. These - versal should not be high. possible before the spring, tax officials will be acutely award , that the Conservatives could be proposing the next Finance Blit 1 1975-operate. And that would undountedly re The legislation laid down that sult in further changes. It might on over-due tax even-eventually-lead to the becomes payable from July 6 removal of tax management measures from the Budget for separate consideration, as Sir advantage taxpayers could Geoffrey Howe; shade obtsin under the previous cellor, has advocated. Geoffrey Howe; shadow Chan-

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This is hecause large parts of the Bill are not fiscal measures designed to control the direction of the economy, but tax management devices derived mainly from a continuing dialogue hetween the Inland Revenue and interested professional bodies. During the past two months considered to be capital transsuch hodies as the Confedera- actions and are therefore not tion of British Industry, the tax allowable. Consultative Committee of Accountancy Bodies, the Institute of Taxation, the Associa-

tion of British Chambers of Commerce and the Law Soclety delivered their recommendations to the revenue. After these have been

digested Inland Revenue officlais begin in the New Year to Eligible for prepare "Budget starters," rough outlines of proposed

relief

The revenue is undarstood to COST.

hefore the wording is finally When this process is completed a decision is taken whether to mention the change in the Budget speech. delivered by the Chancellor, or to unveil It as an Inland Revenue press release on Budget day. Recently, with sborter Budget speeches in fashion, many of the more tech-

Congress

New faces in

hranch will he put to the test tone of the debate over Inflaagain as he faces the new Con- tinn may shift markedly, gross, elected in November's The key issue here mid-term elections, which con- course. President Carter's volunvenes for the first time today.

In one sense his position it may be easier, than it was last year. Mr. Carter came to office as an opponent office as an opponent, at least in principle, of hig government, and there is a widespread consensus that the mood of America and of the new Cou-gress is more conservative than was, as inflation has come to replace unemployment as the primary enemy of national prosperity.

Public spending has lost much of its appeal as a panacea for contentious in principle than, economic ills, and on this for example, the Panama economic ills, and on this for example, the Panama point of view the President may Treaty, but it will give rise to not encounter too much opposition to the general strategy of an "austerity" budget with the deficit cut to under \$3nhn. At the same time he may have difficulty in reconciling his aim of a halanced hudget in 1581 with plans for a phased intro-diction of a national health American treaty on strategic scheme in the early 1980s. arms limitation (SALT II). At

Unfamiliar

.On the other hand, the new Congress is a good deal less predictable than its predecessor. For one thing, there were a great many upsets at the polls. with the result that there is an unusually high proportion of new and unfamiliar faces in both the Senate and the House of Representatives.

For another, the elections suggest that voting patterns in Congress may he even less closely linked to party meni-hership than usual, with the influence of sectoral or regional interests playing a correspondingly higger role. So, even if is general assent to the there principle of a tight hudget, the argument over what spending should be cut, and hy how much, is likely to call for extremely skillful lobbying by Israel and Egypt.

the While House. Revitably, the congressional attrude to President Carter's hread anti-inflation policy is likely to shift in line with the performance of the economy. years of rather strong-growth, the prispect is Mascuw and the Congress over for slower expansion this year, SALT.

DURING HIS first year in office with the possibility of a mini-President Carter got a poor recession in the middle of the Press for his evident failure year. Preliminary posturing to establish a good working has already started in both relationship with Congress. In parties shead of next year's 1978, he did considerably hetter presidential elections and if the in getting legislation through downturn should become in practice. on Capitol Hill. But his skill in sharper than seems likely, or dealing with the legislative recovery he unduly delayed, the

> The key issue here is, of tary wage and price guidelines: The settlement with the oil

workers, which emerged at the 7 per cent norm, but the big test will be the negotiations with the Teamsters, which come to a head in a few weeks time. But if domestic economic questions are likely to dominate the new Cnngress the agenda also includes two major foreign policy issues, either of which

fund. could cause difficulties for the President. The U.S. recognition of China is likely to prove less

a large ampunt of consequential legislation which could weil drag on for most of this year. with manifold opportunities for conservative dissent over trade and trade-financing issues. Even more delicate is the

Trade union investment in companies closely identified with the Torics occurs on a large the recent Guadeloupe summit. Presidenr Carter secured public European support for the SALT scale through the portfolio known as the Trades Union Unit treaty but it is still not a foregone conclusion that he can match this with the necessary Trust. in which, among others, NALGO. NUPE. the NUR, and the Union of Post Office Workers' all have a stake. This support in Congress. He may need to pull out all the stops if he is to avert an outcome which trust invests in Guardlan Royal Exchange, Allied Breweries, and Marks and Spencers—all could seriously jeopardise the (admittedly amhiguous) relationship between Washington and Moscow. major contributors to the Tory-minded British United Industrialists.

Emerging debate

The Labour Party seems undisturbed by such ironies: "It's practically impossible to invest Overhanging these coocrete issues is the otore general quesin anything which isn't mixed up tion of President Carter's standwith the Conservatives," said a ing as the maker of America's foreign policy. The Camp David spokesman. "We do publish a agreement on the Middle East is still seen in the U.S. as a list from time to time. . . ."

Ken Gill, Communist general secretary of TASS, the white major achievement in spite of collar engineering union, and a member of the TUC General the prolonged deadlock between But there are signs of an emerging debate over why the Administration was taken Council, is one of the few unionists who does take the bull by the horns. "The idea of fuelling your own enemy is unawares by events in Iran and the President's foreign policy quite obscene. It's quile wrnng reputation can only be damaged if he proves unable to provide you are simply looking after an effective hridge hetween Maggie," he says. TASS's money

property

shops bave not. So perhaps this year allowances may be extended to commercial huild-ings-in line with the recommendation of a Royal Commission ln 1952.

effluent disposal.

ings as well.

Special One forecast that can be made Income Tax are likely, allhough these may not be ready in time for the coming Finaoce Bill. At reasonable certainlyunless there is a change of Government-ls that the slock the moment the specials, made of trading and some capital relief scheme first introduced in up of tax experts rather than

feeling is that stock relief was the Parliamentary Com-aimed at beloing companies in missioner for Administration, the Ombudsman, about how the liquidity crisis and those which did oot see fit to claim it interest provisions-introduced by definition did not need it. Changes in the status of the in 1975-Commissioners

interest of after the year of assessment in order to neutralise the

although they have few formal

powers. Their findings do not

represent precedents, nor are

For years accountants have

secrecy. While accountants have

no way of learning the results of cases the revenue keeps a

full record, thus knowing when

it was on safe or uncertain

ground in pursuing claims for

A clause to empower the phb-

lication of decisions was in-

cluded in the 1977 Finance Blll,

but withdrawn for further con-

valuation of non-quoted shares

Com-

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MEN AND MATTERS

Giving the Tories their dues

A Gordian knot of ample proportion was recently cut without noise or ceremony when the General and Municipal Workers' Union sold off 52m-worth of Stock Market investincuts and put the proceeds into a strike than the rule, however,

While being a trifle evasive For financial officer Donald about its investments in Fisons Paine the move came as some-(which gave £15.000 to the Con-servative- in 1977) and in thing of a relief, even if it was not early enough in forestall a dig in the ribs from the current issue of Punch about the union's National Union of Mineworkers, investment in some of the Conservatives, more generous supis not keen to dwell on the con- said tradiction. "Our investment corde. purters; including, for instance, a £28.000 spoonful of Tate and policy," said a spokesman, "has to be in the best interests of Lyle. (Saxon Tate and John Lyle are respectively chairman of the right-wing Economic League and the members. memher of the council of Aims.)

Men of idea

But

Perhaps inspiration is -an uousual commodity down Mel-hourne way-I hear that a former Lord Slayor of the city. Ronald Walker (CBE), is even oow winging his way towards London in search of what is described as "an IDEA." Thinkers should concentrate on what would make a suitable landmark in be erected in Mel-bourne. The idea fielding favour wins £58.000.

Clearly Melhourne has quantiles of loose change burning a hole in its corporate pocket. So the emissary may find a taxi ride uver Waterlou Bridge worth his while. Some councillors in Southwark have had an IDEA which could be just what their counterparts in Australia are looking for. Even without heing translated into reality, this hrainwave has already made

Anxious to please the jogging lubhy British Arrways is embarking on the rash course

I found, was that of of broadcasting " keep-fit ASTMS, But general secretary isometric exercises" to long-Clive Jenkins tells me he also hand passengers. "It's our way invests "strategically" in about of flying the flab abroad," says 100 companies so the union can the airline, playfully. I assume he represented at annual meet-that the exercises—designed to tugs. compulsory. Ent skinuler travellers may be disconcerted by the detailed thought to the political behaviour of their neighbours. "Head-rolling," says the airline, implications of investment are probably the exception rather "is disguised as a casual look at

fellow passengers. Arm-stretch-ing is a vain altempl to adjust airflow controls. Was there any plane, I asked hastily, on which one would Guest. Keen and Vettlefold hastily, on which one would ("25,000 to Central Office), the definitely not be subjected to

ational Union of Mineworkers, udd looks from obese persons loyal contributor to Labour, wearing earphones. "Oh yes." nul keen fo dwell on the con- said British Airways. "Conbranches.

Visible earnings

The full cost of the British worker's stubborn predilection for cash came home to the Daily Mirror group last summer, when a security guard was shot dead in a £200,000 pay roll raid. The group's chairman, Percy Roberts, has now launched a



campaign lo get workers lo switch to monthly pay through a bank account. With well over half its 6,000 headquarters staff taking home cash each weak, the Mirror group has one of the biggest pay roll security problenis in contral London, Ruberts makes -elear in -a persuasive circular letter. Accompanying it, is a fuller full of propaganda for the banking habit. And the National Westminster, whose Coutts subsidiary is the Mirror's main bank, has helpfully enclosed a map showing the whereabouts of some of its

Many employers have failed in similar campaigns in the past. According to hankers, this is because male workers find being paid in cash makes it easier to conceal from their wives just what they earn. The Mirror's trump card-it pays monthly workers in advance.

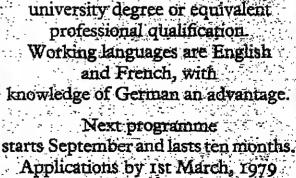
Crash diet

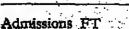
Every crisis, of the mounting aod non-mounting varieties, has a sunny side. This time the heneficiaries are Mrs. Thatcher, and purveyors of Chinese sprouting beans. " We are on overtime trying to cope with the rush." says Kelth Sangster, managing director of Thompson and Morgan of Inswich, The company is, he tells mc. selling near-record quanti-tics of seeds which, in 45 bours, turn into" half-inelt long proteinnocked sprnuting heans." highly sultable, avers Sangster, for "Siege Brttalo,"

If you have been laid off, "watching them grow under your very eves "must indeed he a welcome diversion. And a dict of bean should means you need, never leave the house to dis-cover the absence from the shops of anything but cake inizes and lins of prunes.

ć

Observer





INSEAD (European Institute of Business Administration) Boulevard de Constance, 77305 Fontainebleau Cedex, France.

Southwark rather famous. to speculate, particularly when Hobson's jet

is in local authorities and



. poster went up."

"Il seems like years since that

Financial Times Monday January 15 1979

FINANCIAL TIMES SURVEY

Monday January 15 1979

Corporate Finance

The financial institutions are having to demonstrate their involvement in, and commitment to, British industry as never before. This is the result of another year of sustained scrutiny of the way these institutions provide corporate finance.

How the City's role

is changing

By Nicholas Colchester

•

THE CITY is currently more remarkable for its new openness—to discussion, criticism and even change-than for the funds its component institutions are providing to British industry. Companies have not placed it

over the past 12 months. Loan demand remained restrained on the changes necessary in the management and ownership of British Joint stock companies. sectors. cash requirement, estimated at about 130m for 1978, disappointed hopes at the beginning of the very that under great pressure for money beginning of the year that industry would roughly balance coupanies raised only 5520m. (excluding BL, the car com-yany) through rights. Issues, compared with F770m. in the previous year.

Consenta 2rouat and urged the banks to underwrite loans to small businesses. Every section of the City had to justify-itself before the Wilson Committee which in turn published volume - npon volume of evidence. The Stock Exchange geared-itself up to convince the Restrictive Prac-

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tices Court that it should be on invested capital (apart from sllowed to continue in its BL, and Rolls-Royce) gives it current form. By the standards respectability. Currently it is -of the very recent past, very tossing balls into the air faster little in the City remained.

prescribed by the economy." Tha B "mixed Tha Bank of game England's growing involvement with industry hecame con-spicuous when it organised the rescue of Spillers, the troubled milling, baking and petfoods group. Its governor, Mr. Gordon Richardson, spoke out forcefully Wilson

Banks, merchant banks, and other institutions in the business its books. The requirement for of providing companies with capital, became reconciled to the existence of the National Enterprise Board, the Government-owned agency which owns BL and Rolls-Royce and which seeks by interventionist investment to force the pace of Britain's industrial development. Two previous year: But if the City's institutions force the pace of Britain's did not have to provide indus-industrial development. Two industrial development.

thick volume describing and Finance For Industry are only justifying their activities. The some of the private sector institu. Bank of England published a tions which are working in guide to small company finance partnership with it. The NEB has made the run-ning in this reconclitation. In the multiplicity of its activities

it undoubtedly bas had s gingering effect on the financial estab-lishment. It has won respect with its entrepreneurial approach. Its required objecindustry. tive of a 15-20 per cent return than they are landing. It is not

sacred. At the same time, the City in 1981 that the City finally will interests of their pensioners-moved visibly in the direction establish whether the NEE is nor the public good. Neverthe-

playing the private sector's less, it seems unlikely that they 12 months, there are few ment. Companies raised only Tha mixed economy is looming dangerously for the investness them to the country's industrial strategy, there is a ing institutions, and for tha pension funds in particular. They have been identified by the growing feeling within tha private sector first, that they should be more visible in their Committee as an investment important new concentration of activities;

will escape the spotlight. Quite signs 50 far that the City'a about £0.5bn in share capital apart from the attempts to har most basic characteristic and a notabla surge of takeis threateoed - the clublike sought to answer previous critiand,

overs-many of them for cash manner by which it regulates — meant that corporations were itself. On the initiative of the prohably net purchasers of Bank of England the institutions equities last year. The third quarter figures

cism of this system by setting suggest that the total value of

those of tha British Stock in small companies. Midland Exchange. Bank taamed up with the Exchange. At the same time, the Office National Enterprise Board in a

new venture capital company. Equity Capital for Industry, a body sponsored by the major of Fair Trading has challenged the Stock Exchange's rule book on the argument that its rules are "restrictive practices." investing institutions, lowered These rules are basic to the its sights to cover smaller com panies than had originally been envisaged. The Industrial and Stock Exchange's powers of self-regulation. So the British securities industry is fscing a Commercial Finance Corporation ICFC, had a very active year of small company finance. period of flux.

There has not been much pressure recently for bank asked the clearing hanks to set up a loan guarantee scheme borrowing by companies. It is currently estimated that com-panies are making use of less to redoce the burden of loan security on small businessmen. than balf of the overdraft facili-This proposal is being worked on, though the clearers are ties available to them. Under conditions, foreign bankers bave accounted for a noticeable proportion of new lending to the British privste

The latest figures suggest that this proportion was 11 per cent in the year to October 1978. A part of this success has been due to the easy availability of wholesale money (which disappears when credit conditions become tight) coupled with the relatively low overbeads of the invaders—British banks are playing the same game in New York. But tha Americans undoubtedly have given impetus to the rise of the medium-term roll-over loan in Britain through their success in marketing such credits.

Fically, 1978 was aoother good year for the small company after the Wilson Committee had stressed the prohlem of small challenged. Barciay's hid for an system, the Succhange, is mance which, transformaty, succeenting promem of shah mecause of the City over the past change last year went to Govern- tend to be incompatible with stressed its readiness to invest savings back ioto lodostry.

resistiog it. A coumber of key develop-ments stand ont. The Bank of England is becoming increasingly interested in cor-porate affsirs. Clearing hanks are lending longer and hecom-ing more involved in financial management. Exchange complains about the way it must sell predominantly government securities to s shrinking and increasingly powerful clientele. Iovestiog Institutions have been forced to face up to their own

influence and to use it for the public good-bowever defined. These different strands add up to a trend away from a "free market". City in which institu-tions mediate for their own ends between many sources and many users of finance. Partly

Now the Bank of England has

The

Stock

hitterly

hecause it is politic, partly hecause of the changing structure of savings, the City now has s more contloental feel. It is becoming reluctaotly involved in the cause, as distinct from the business, of chappelling British

financial power and the question second, that they should he is bow they should deploy it aod remain "accountable" for its deployment. The trades unions want the pension funds and insurance companies to help the

'industrial strategy" hy protense viding balf the cash, and government the other half, for a new fund which would pump money ioto chosen sectors of British The pension funds recently

joined forces with the Confed-eration of British Industry in mounting a counter-attack. They played down their financial power and claimed that they

more active in monitoring the performance of the managements of the companies in which they bave invested. In these circumstances ininterest has been generated by the few occasions

when the funds have chosen to flex their muscles in public. They questioned Albed Brewerbid for Lyons and

Wilkinson Match's link with Allegheny in the U.S. They challenged Barclay's hid for an investment trust-an elaborate

up, last May, their new Council for the Securities Industry. This council was built round the Stock Exchange and the Takeover Panel, two pillars of selfregulation, and is designed to embraco merchant banks, the major investing institutions and clearing banks. Since the fan-fare of its first announcement

little has been heard of it. Surge One of the pillars of this system, the Stock Exchange, is

acquisitions in 1978 will have been about £1.2bn, of which sbout one balf will have been paid for in cash.

The concentration of primary market activity in the hands of government and of secondary, or trading, activity in the hands of Institutions has led the Stock Exchange membership to look for other areas of business. Increasingly, the brokers are

encroaching on such areas as fuod management and corporate finance which, traditionally, have been the preserve of merchant banks, Both johbers

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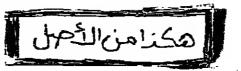
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CORPORATE FINANCE II

Industry's borrowing set to rise

THE FINANCIAL position of and £11.5hn at current prices, industry has been much less though by much less in real strong than expected over the lerms. This drain on funds was last year and no improvement partially offset by the expected is generally foreseen during decline in the amount required 1979 — despite the growing for slock appreciation from £4bn impact of North Sca oil pro-duction. This abould not, how-E3bn in 1978. reflecting the slowever, create any scrious prob-lema for indualry in raising tion. external finance.

12

.A year ago City analysts were generally confident that indus-try's financial position would be helped by rising North Sea profits and by the smaller drain of cash needed to finance the increase in value of stocks. This, it was thought, should at

and commercial companies plus britter would have a financial surplus issue is excluded the total was of about £300m for the year. only about £500m. LONG GONE are the days when certain forms of industries. This is the amount left over The low level of advances was the State limited its involve-assistance since the 1972 Industries after paying taxes and divi-partly explained by reactivation ment in industry to laying down is instructive. Regional develop-

Official figures are still only summer, judging by the Depart-available for the first half of the ucent of Industry's survey. For year and indicate there was a example, during the third year and indicate there was a These figures are subject to major revision-not only of size but also sometimes of direction. But on the basis of the evidence so far and the expected recovery in profits growth in the second in profits growth in the second half of 1978—reflecting the plck-up in conomic activity— the deficit for the full year is nuw estimated at f2 dbn by nnw estimated at £2.4bn by Phillips and Drew and at £3hn by Wood Mackenzie, compared with a deficit of £2.4hn in 1977.

The main influences have been a slow overall growth in profits in 1978 as a result of the strength of sterling and the squeeze on domestic margins, But at least half the rise is expected to have come from rising North Sea production. Total income is expected to have risen hy between £1bn and £14bn. On the other side, tax payments and dividends have been rising sharply so that total undistributed income may have risen last year by only between £250m and £500m.

The end-result of a little chaoged, or possibly slightly higher, financial deficit for industrial and commercial companies has not created prohlems for industry in general. Indeed. as Wood Mackenzie has pointed out, a surprising feature of last year was that despite the size

of the deficit, bank horrowing was at a fairly restrained level, Accordingly, stockbrokers Phillips and Drew in January 1978 estimated that industrial law: for instance, if the £400m and commercial companies plus British Leyland rights

after paying taxes and divi- partly explained by reactivation ment in industry to laying down irry Act was passed. dends and financing capital of the corset controls: this the legal and regulatory frame-spending and the increase in encouraged inter-company lend- work within which business was instructive. Regional developthe physical volume and value ing which hy-passed the banks of stocks. At the same time and distorted the figures. Howbrokers Wood Mackenzie estim- ever, the net liquidity position ated that there would he a of larger companies appears the deficit of £1.5bn for the year. have deteriorated since the

£2bn deficit for the period. quarter the companies covered hy this survey reduced their hank deposits by £521m, or nearly 14 per cent. It is likely that the position may have delcriorated since September in the face of a squceze on real

The prosperts for this year are mixed. Much will depend on the level of pay settlements in the current wage round and the outlook at present is not exactly encouraging. Industry has apparently found it hard to pass on higher lahour costs over the past year because of the competition from imports in the home market and the impact of

The general expectation is depreciate too far during the next 12 months both because of the Government's commitment

ment Agencies and by the pro-

and financial incentives.

on margins again at a time of sharply rising labour costs. However, most City analysis are expected by the spect that the increase in percentage of capital increase in percentage of capital fibre of stock appreciation may rise from the growth of state are of increase in general fibre of stock appreciation may rise from the growth in North Sea of the spected to may half the growth in North Sea of the growth of stock appreciation, which should this fight to fight at the rate of growth of sterling and world com the growth in North Sea of the spected to may her the big jump the jarse in construction is that the rate of increase in general of the second half of the spected to may her the big jump the jarse in growth of sterling and world com the growth in North Sea of the spected to may her the big jump the jarse in catter is expected to may her the big jump the jarse in growth of sterling and world com the growth in North Sea of the spected to may her the big jump the jarse in the set of sterling and world com a increase of the growth in North Sea of the spected to may her the big jump the jarse in growth of sterling and world com a for each of jarse. The general and jarse is the level of sterling and world com a more in jarse is the level of sterling and world com a for the second half of jarse. The general and the spect at the set of sece and the growth in North Sea of the second the spect to may her is culd still mean an extra these forces will be less favour is point on fight or the scale of the scal

State help now a major element

rinancial Times Monday January 15 1979

such as the temporary employ. Then there is regional policy, their performance against thoje ment subsidy and the job crea- Several studies (for example, targets, tion programme, are perhaps a those by Messrs; Moore and All this is for the good. But case apart. The dangers here—of Bhodes of the Cambridge one cannot help hut wonder preserving jobs in one company. Department of Applied whether, instead of lowering the at the cost of displacing jobs Economics) have indicated that cost of capital for a select

recession and they have been to find out. pursued by Conservative and

Labour Governments alike. Do they represent a judiclous use of public money?

It is not simply a question city of the regional development tions: of checking up on the vlability of firms and their factories built in the assisted projects, or of taking a more of the grant is an important industrial areas; expenditure on industrial cold-blooded look at lame ducks, attraction to industry. Yet in countries, alds by local authorities; the which, belatedly, now appears published cost-per-job limits are . It runs t

made. At the cost of displacing jobs Feconomics) have indicated foat cost of capital for a select in a competitive cumpany tin the UK or ahroad) and of the uK or ahroad) and of the cost of displacing jobs Feconomics) have indicated foat cost of capital for a select in a competitive cumpany tin the UK or ahroad) and of the cost of displacing jobs in a competitive cumpany tin the UK or ahroad) and of the cost of displacing jobs feconomics) have indicated foat regional ald programmes were minority, it would have been having somewhat less effect in more sensible to have created a more encouraging climate for interest relief grant scheme under section 8 of the 1972 Act (about which the Industry Department Is uncommonly reticent, in part no doubt because this particular scheme has aroused protests from the European Commission in

to find out. The Government's Industral strategy, represents, in its way, pressure from the Commons an attempt to emulate the (mt Public Accounts Committee and completely successful) industrial policles of successive French and Japanese Goverelsewhere against the automatiof devising suitable administra- grant and in favour of institut- ments without the all-important five machinery to vet applica- ing a cost-per-iob limit (as, for and all-pervading sense d ing a cost-per-job limit (as, fot and all-pervading sense d example, in France) on the partnership and mutual en-grounds that the automaticity pathy which has characterised pathy which has characterisel industrial policy in those

It runs the risk of attracting alds by local authorities; the which, belatedly, now appears published cost-per-job limits are in runs the risk of attracting expenditure programmes of the to be happening. It is more a applied to the grant of selective second-best projects—by defining the Scottish and Welsh Develop-ment Agencies (about 5400m a year), the selective second-best projects would go year currently; support for industrial research and develop-ment, export promotion and export credits; industrial train-find of pointing out that the inational investment. Ing (another £400m a year), under the accelerated projects actually created as the result of the solution of the so

The rate at which commitenormously in post-war years, and in the case of financial aids ments have been building up and incentives developments has been increasing. The total have been particularly rapid in for these schemes (other than the high—or rather stable— the last five to ten years, aid to individual concerns in exchange rale on export prices Precise and comprehensive 1976-77 was £807m. in 1977-78 and profils. The general expectation is been spent—as distinct from the current financial year the that sterling should remain the plans set out in the annual £365m. Not all of these sums fairly stable-or at least not public expenditure White Paper have yet been paid to the compublic expenditure White Paper have yet been paid to the com-are not easy to come by. But panies concerned. Grants and according to a statement by Mr. loans are paid as the invest-Alan Williams, Minister of State ment takes place,

Capital spending appears to to a stable exchange rate and for Industry, sbortly before By the end of March last year, have been even more buoyant as a resull of the linpact of Christmas almost £3bn of for example, only £213m of the than expected in 1978—rising growing North Sea oil production. Exchequer funds had by then £468m of selective regional from £9.5bn to between £11.2bn tion. This could put pressure been committed to regional and assistance offered under section

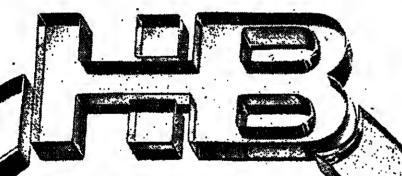
National Enterprise Board and amounted to £499m, of which the Scottish and Welsh Develop- about 60 per cent was in the paid. Even if these schemes were to cease overnight a considerable sum of money would form of interest relief grants. vision of a wide range of fiscal Offers of selective assistance to still have to be passed over under commitments already individual industries and commade. This is not a wholly recent panies irrespective of whether development. There were State they were located in an and municipal trading bodies assisted area (under section. S before World War II. The of the Act) had meanwhile beginnings of regional policy— tolalled £767m. This figure in-

in the form of Ministerial in- cluded £210m for sectoral aid volvement in the location of schemes (wool textiles, foundry. particular industrial investments electronic components. etc.). —can be traced back to the f158m for the accelerated pro-Inter-war years. And the State jects scheme and its successor, in one guise or another was also the selective investment in one guise or another was also the selective investment active in several measures of scheme, and £399m for indi-industrial reorganisation in vidual companies, notably those years. British Leyland, Corysler, and The scale of State participa- the experimental workers' tion has, however, increased co-operatives. has aroused protests from the European Commission in Brussels),

> They also exclude aid to the shipbuilding industry under the 1972 Act; expenditure under Science and Technology Act 1965 which has been running at the rate of about £60m a year; aids to industries like tourism; the cost of advance

LONG GONE are the days when the State limited its involve-ment in industry to laying down the legal and regulatory frame-work wibin which business was the State is an active participant itself, through such bodies as the nationalised industries, the National Enterprise Board and the State is an active participant itself, through such bodies as the nationalised industries, the National Enterprise Board and the State is an active participant itself, through such bodies as the nationalised industries, the National Enterprise Board and the sectore in the sectore is projects and selective the state is an active participant itself, through such bodies as the nationalised industries, the National Enterprise Board and the revenue cost of tax deprecia- available on sectores and the external terms. That possibly could be the societ the sectores and the external terms. That possibly could be societ to operate. Nowadays the State is an active participant itself, through such bodies as the nationalised industries, the National Enterprise Board and the revenue cost of tax deprecia- available on concessionary the revenue cost of tax deprecia- available on concessionary the sectore in allowances and the external terms. That possibly could be scottish and Welsh Develop-ment schemes had been the schemes had changed the schemes had changed the schemes had been the schemes had been the schemes had been the termonary employ. The there is regional policy

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Ing (another £400m a year), under the accelerated projects actually created as the result of have shown. At beart, it is a and job creation and employ-ment subsidies (about £300m a ment scheme will bave with the numbers originally or politicians and bureauc-year in the last two years). All told, around £210m must investment which would not in Whitehall, though they have at picking winners. be going on support programmes have taken place it all or at the as yet to be published. Studies for industry during the current ment money had been made ness." of the sectoral aid

another £400m a year), under the accelerated projects actually created as the result of have shown. At beart, it is a

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Political courtship of the small business

THE WOOING of amall bank-run, guarantee system way or other, and the special and the broad idea has now businessmen by the two main might unleash fresh investment guarantee idea is likely to be political parties that began some is months ago with the appoint-in the saked the Bank of Eng-advocated in a report from the should help to set up small ment of Mr. Harold Lever as the clearing banks to set up such institutions which is to be pub-be cabinet Minister responsible for small companies will in-erease during the run up to the general election. The Labour Government will be trying to idea. finalise aome new initiatives to launch with the spring Budget while the Conservatives, led by

tbeir new Front Bench small firms spokesman, Mr. John Biffen, will point out that It is their planned taxation changes that are really needed to increase the flow of funds into small businesses.

The resulting debate will underline the problems that Mr. Lever bas faced from the start with Left-wing and other leaders of the Lahour Party who oppose many of the tax reductions that be considers necessary to speed up investment in small businesses. Mr. Lever has suc-ceeded in pushing through a nnoiber of changes in capital gains, capital transfer, and other taxes; but he has not managed to win all the exemptions for small husiness investors that he would

Initiatives

Further tax initiatives are likely to he prepared for the soring Budget including help for loans in new ventures. One idea heing pushed by the Lon-don Chamber of Commerce is that the income tax concessions introduced in last year's Finance Act for the employee share ownership form of profit sharing should be adapted to help those who invest in small firms for a specified period of time.

Another advance being con-sidered by the Government is a proposed guarantee scheme under which the clearing banks would underwrite their loans to save small businessmen having to provide excessive personal guarantees. Mr. Lever be-lieves that the burden of such personal guarantees can some-

that has been in progress for the state indeed point to system for clearing bank loans, that has been in progress for aome time. Advocates of the idea point to successful guarantee systems in the U.S. and Germany. But a report pro-duced last August by the National Economic Development a number of new initiatives launched by hanks and other financial institutions. The industrial and Commercial Finance Corporation, a sub-sidiary of Finance for Industry, compared record business last reported record business last year when it provided £32m in loan and share capital to 277 small firma during the six months to September 30, com-pared with £19m to 193 concerns

ment of Industry have also opposed the Idea if it has to be launched and backed by the Government because of the amount of State aid that might be needed to bale out bad debts. in the same period of 1977.

companies can belp small firms. He also wants the public sector

Government although there "cantionsly to push form have been some suggestions that frontiers of risk taking" the Treasury might provide np to 10 per cent of the cost of Another important area which is being pursued by Mr. meeting the guarantees.

Mr. Lever has spoken to the times dissuade owners of small chairmen or chief executives of He also wants the public sector firms from expanding their all the leading hanks about the to help by purchasing more ousinesses. He hopes that a new need to help small firms in some goods from small businesses,

could help would be to pay their bills promptly and not to insist on punitive credit arrangements, Shell UK, which is one of the leaders in this area, has in pleaders in this area, has in cluded the prompt payment of small firms' bills as one of the items in a programme it has, drawn up. It has said that a "flourishing small firms' com-munity is good for the UK economy and for the country, and therefore good for us," and is. launching a series of initiatives.

The Treasury and the Depart pared with f19m to 185 concerns It is involved with a number of Industry have also, in the same period of 1977. I aunched and backed by the **Speccalists** of other organisations and con-and spencer, BP, IBM, British organisations and con-such a scheme solud be tried field and pension funds have and have pointed out that the also shown some signs of and have pointed out that the also shown some signs of and have pointed out that the also shown some signs of and have pointed out that the also shown some signs of and is being encouraged by the This has now been taken up by the Government is that there should be a pilot inaurance scheme which would be ally. The extent of the pilot a specific area of its business. More ally. The extent of the pilot a scheme subich the Bank of scheme malight be limited eliber the amount of money it is new guarantee scheme for small businesses. atther is a sidew guarantee scheme some way unde-scheme malight be limited eliber for the encils that there scheme nalight be limited eliber by the amount of money it is new guarantee scheme. There would be liftle if any frame is a view that there is a view that the Giver is only interested there is a view that the e way they reinvigorating on part there and should be way they way the scheme to is believes, however, that in a specific area of the country frame is a prevention and there or the country there are a should be way they reinvigorating on part there some subgestions that there in a specific area of the country the there is a view that the Eitigr in that a labour frame is a prevention of the point is showne way they way they bend to turn the there sone som . It is involved with a number of other organisations and com

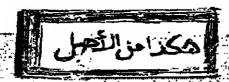
nevertheless helped to turn the tide of opinion in favour of and or opinion in lavour of small businesses, even if he can-not band out all tha tax benefits that. Mr. Biften would include Lever is the way in which large in a Conservative manifesto for small firms.

> John Elliott fudustrini Editor

Council's Roll Committee on Finance for Industry cast doubt on whether it was really needed. The Treasury and the DepartPeter

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WESSANEN UU a sound nutrient medium for a balanced economy

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Interest rates at

high levels

CORPORATE FINANCE IV

OVER THE past year industry cellor Denis Healey sought to has experienced the less com- reconcile a rise in the estimated fortable consequences of the Government's acceptance of money supply targets. The com-bination of an increase in economic activity and a high level of public sector borrowing have meant that the private sector has had to be squeezed to prevent a breach of the monetary objective. The result naturally has been a sharp rise in interest rates-

to levels almost without precedent in real terms after adjusting for inflation. Moreover, there is little prospect of a substantial reduction in the general level of rates.

This is very different from the beginning of last year when the direction of interest rates was still downwards. Indeed, in the first week of 1978 Minimum Lending Rate fell 1 point to 61 per cent, reflecting the strength of sterling and despite a rise in U.S. rales. The immediate response was

a cut in base lending rates of the clearing hanks to 61 per cent from a previous range of 63 to 71 per cent. The result was that top-quality industrial horrowers had in pay 71 per cent for overdrafts and others had to pay up to between 11 and 111 per cent.

This was a low level nf interest rates by the standards of the previous five years, except for every short periods. Over the following couple of otonths there were growing signs of a pick-up in bank lending to industry and of a more and the original 9 to 13 per general revival in economic activity.

The money supply figures suggested that sterling M3 (the broadly-defined money supply including cash and bank current and seven-day deposit accounts) was growing more rapidly than the permitted rate of 9 to 13 per cent for 1977-78. This was then temporary seen 35 phenomenen produced by the

1.1.1

Mast

Impact of the late autumn 1977 tux cuts and the lingering effects of the large inflows which occurred when the sterling exchange rate was being held down up to the end of October, 1977.

But the City was generally less confident that the money supply was well under control; Implications for interest rates of the Government's attempt to adhere to ils monalary target became clear during required amount of stock out-the late spring and early slde he banking system lo summer. It was plain that if institutions and the public to

something had to give it would neet their funding target and be interest raics, whatever the so avoid bnostlug the money

per cent.

of

cent target.

ponse.

Formula

reconcile a risc in the estimated was forced to respond on June 8 public sector borowing require with a package of measures ment from £5.7bn to £3.5bn in almed at boosting sales of gilt-1978-79, a slight tightening of edged stock and reasserting conthe monetary target to a range edged stock and reasserting control over the money supply. The of S to 12 per cent with hopes' trol over the money supply. In white there was not of meeting industry's demand package involved a one point immediate crisis, the Govern-for funds. In an attempt to rise in MLR to 10 per cent, re-ment. tried to take the reassure the City. Minimum activation of the ao-called corset initiative on Movember 9 by Lending Rate was increased on controls on the banks, and a 24 announcing a 27 point rise in Budget Day by a full point to point increase (later limited to MLR to 122 per cent. This not is not cont This was followed by a ona

point rise in the clearing banks' base rates to 71 per cent, so that top-quality borrowers then had to pay 81 per cent. However, the Budget strategy failed to lending rates up to 10 per cent, so that top-quality borrowers had to pay 11 per cent. convince the markats and Institutional investors, the Govern-

. The most important measure. ment's critics argued that fiscal was reactivation of the corset which penalises banks if the and monetary policies were Incompatible. The result was expansion of their interest-bearearly speculation about a further rise in MLR—followed ing deposits is faster than laid down by the Bank of England. Thia covers wholesale money by a rise of 11 points to 81 per cent early in May with a market deposits and interest further 11 points rise in tha banks' base lending rates to 9 paying bank deposits.

The markets' immediate response to the package was All this failed to settle markets. in spite of a further + favourable in that the Bank was point rise in MLR in mid-May. able to sell very large amounts indeed investors' confidence in of gilt-edged stock. But there Indeed, investors' confidence in Government policies was further underroined by the were still sceptics and stockbrokers W. Greenwell concluded that " the latest re-introduction publication of figures showing of the corset will probably not that the growth of the money mark a major turning point of supply had been higher than the economy and interest rates. previously assumed. Over the as it did on the previous two 1977-78 financial year sterling occasions." M3 turned out to have increased

Reactivation of tha corset by 164 per cent, compared with and the heavy sales of gilt. Mr. Healey's budget projection a rise of under 14 per cent in the money market for a couple of months: So the authorities were forced to provide temporary relief to avert In addition, public sector borrowing was boosted by a successful amendment to the Finance Bill which reduced the

funds. standard rate of income tax, and In any event the desired the Government failed to impact on the rate of growth of announce any immediate resthe money supply was produced by the early autumn. However, it was recognised that the official figures distorted and understated the nuderlying demand for credit, in particular In late May, the Government also announced the abandontbrough the increasing provision ment of the market-related of acceptance credits. This is formula for MLR and its what is known as disintermedia-

described by some com-mentators as a gilt-huyers' market Interest rates began to rise from the beginning of strike. The authorities were October onwards. Three-month unable to sell anything like the per cent in September to more U.S. interest rates and growing policy suggests that the auth-

In any event, the Government triggered a tise in MIR under wis forced to respond on June 8 the old market related formula. Mnreover, in early November Barclays Bank increased its base lending rate by 11 points to 11+ per-centi-

National Insurance contribut short-term rates which bad tions to recoup the revenue lost already taken place but sought by the income tax cut. The MLR in the Bank of England's words, rise was followed by a similar to "establish a new level rise was followed by a similar to "establish a new level i point rise in the bank's base appropriate for the continuing -restraint of mooetary expansion." At the same time modetar the 8 to 12 per cent monctary target was extended until October this year, which implied a slight tightening in the official monetary stance in view of the earlier slow growth of the money supply.

Adjustment

Mr. Healey presented these measures as largely a technical adjustment in response to money market pressures, higher U.S. interest rates an inflationary uncertaintles. in addition the authoritie appear to have been concern about signs of an underlyin pick-up in the level of priva sector demand for bank cre and the probability of a high level of public sector borrowin during the winter.

The package was followed h edged stock created difficulties a further rise in clearing bank base rates up to 121 per cen, so that top-quality borrowes were having to pay 131 per cei and others up to 17 per cent. further upward pressure on Moreover, the Government wis-rates created by shortage of able to sell sizeable quantities able to sell sizeable quantities of gilt-edged stock

The current view of mat City analysts is that short-term rates should not rise, much further from the current high levels, hut there is disagree ment about the timing and scale of any decline. Some brokers point to the recent favourable trend of money supply growth and the likel formula for MLR and tion and was reflected in the economic activity the private control through administrative low, crowth of sterling M3.in year will limit the private the first half of 1978-79. Sector's demand for bank credit Against this, continuing part uncertainties, the rise in interest rates and high level of public sector borrowing mar interbank rates rose from 91 restrict the scope for any decline. In particular, the inthan 11 per cent by the end of creasingly prominent position October. This was against the nf monetary restraint in the background of a sharp rise in Government's counter-infizition

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be interest rates and growing policy suggests that the awin-cffect on the politically sensi- supply. The institutions' alli-live mortgage rate in what was tudes were criticised and part prospects for inflation in view about allowing a reduction in live mortgage rate in what was tudes were criticised and part prospects for inflation in view about allowing a reduction in live mortgage rate in what was tudes were criticised and part prospects for inflation in view about allowing a reduction in live mortgage rate in what was tudes were criticised and part prospects for inflation in view about allowing a reduction in period. Healey on "young men in opposition to the Government's reversed quickly. The turning point was the hrokers' inflices who write pay policy. Treasury Bill rates mid-April Budget when Chan- circulars."

Specialist sources

gap, which.led to the setting up after the war of the Industrial Commercial Finance and

About five years ago there was much talk of a shorlage of was much talk of a shorlage of channelled through its sub-finance Ior larger companies, sidiary FCI, which advanced a leading to proposals for the so-tolal of £40m during the last leading to proposals for the so-called "Lever Bank." That eventually inrucd out in be Finance for Industry (FFI), or rather its subsidiary Finance Corporation fur Industry (FCI), in a newly expanded guise. There has also been talk of

the equity gap, which supposedly has left viable companies of stock market size in danger of folding through lack of shareholders far-sighted enough to see them through a sticky patch. Out of this debate was born Equity Capital for Industry (EC1), with around £25m in institutional funds.

The City tends to respond unsympathetically to talk uf such gaps. Indeed the clearing banks mutter sourly that what is causing the trouble is not so much lack of finance bui rather a "proprietorial gap." That is, there is a shortage of people with ideas, and the energy and ambition to exploit them.

High stakes

With the political stakes very high, however, the City has been reluctant to reject the various recent attempts to graft on new institutions. It has been judged better to co-operate when the politicians-and in the case of ECI, the Bank of England—have been exerting pressure. However, this obvious lack of conviction has led to a feeling that many City institu-tions would be far from unhappy panics are reluctant to raise to see the new organisation falling on hard times. Certainly FFI in its new goise

Certainly FFI in its new goise Curiously, however, FFI's sidered ripe for a stock has never remotely resembled subsidiary dealing with small exchange listing but which in the fibn giant once envisaged companies, ICFC, reports quite present circumstances see no

to

THERE IS always much talk in in the early days of the pre- a different experience. From point in incurring the expenses the City of London about gaps sent Labour administration. And about the summer of 1977 on- and responsibilities of going -cspecially at a time like the it has been a hard struggle for present when the Chy's range EC1-the "Equity Bank"-to of financial services is noder carve out a niche for itself. Un the scrutiny of the Wilson Com- the other hand, the nuch longer once mote. In the six months to mittee. Back in the 1930s there established Industrial and Com- September 1977 ICFC invested mittee. Back in the 1930s there established industrial and Con-was the so-called "Macmillan" mercial Finance Corporation mercial Finance Corporation (ICFC)-which is actually now a subsidiary of FF1-has for Corporation specialising in the a vital role in the sutall com-financing of small companies. pany sector. FFI's larger scale husiness is

complete financial year ended last March. But there has been no real hnoyancy in this market, and in the six months to Septemlier FCI lent no more than another £24m to nine customer companies.

for quite long terms at fixed rates of interest. Unfortunately, rates of interest have generally been very high in recent years -and have of course climhed back in the past few months. This has made company

treasurers reluctant to commit themselves to high fixed interest rates, and they have preferred to borrow variable rate moncy which could allow them to goin a licnefit from an eventual fall in Interest rates. FCI docs offer variable rate loans, and has indeed extended the maximum term for this kind £5.000. of dcbt up to 15 years. But this

is a field where many banks and other institutions are very active and competition for busi-ness has often been fierce (though less so since the hank-ing "corset" was imposed last

summer). An underlying problem has been the fact that the larga companies to which FCI seeks passing through an especially liquid phase. After the often panics are reluctant to raise their gearing levels in order to

began investing in expansion capital of small companies, but in the next six months this many years shown itself to have jumped to £31m and in the half-a vital role in the satull com- year: to: September 1978 the higher level was maintained.

Phenomenon

An Intriguing new phenomenon is that executives of subsidiaries or divisions OF mese operations from the In-1977 the infurn in demand parents. In the first nine for finance hy small businesses months of the current financial, gave advance warning of a more year ICFC baa made 30 Invest- general recovery in the energy The strength of FCI has ments as a result of this type derived from its ability to lend of proposal. Clearly, being their

Meanwhile, proprieturs of only risen slightly in recent existing independent small weeks by a per cent or so. But businesses have also gained a new enthuslasm for expansion new enthuslasm for expansion, though in real terms the aums though in real terms the auns-involved are often rather smaller than in the past. ICFC's average loan has stayed at around £100,000 for the past five years, despite rapid infla-tion, and it still does plenty of business in smaller sums right down to the lower limit of just £5 000.

Both the investment market Boto the investment market -covering companies seeking new capital—and what ICFC calls the purchase market— cmbracing existing shares which holders wiah to realise for cash —have been very busy. ICFC manages, and bas a 42 per cent atake in, Estate Dutiea Invest-ment Trust (EDITH) which is listed on the stock market.

Originally EDITH was set up to allow shareholders in amall companies to meet tax bills. Nowadays EDITH also has some quite substantial companies on tts books-companies which at finance capilal investment; one time would have been con-

wards, small businessmen rc- public. however, is slightly less buoyant." New business applications fell

away noticeably in December, £19m in the loan and share and although its executives are reluctant to say definitely that the trend has changed, they are watching the situation closely. The pattern can tend to be deceptive over the Christmas and New Yaar holiday period, but there is a fear that Government action to raise short-term intcrest rates still further last November has had a damaging effect on confidence in the small

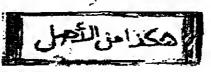
It could be that the declining level of activity at ICFC is now acting as a lead indicator of a for down-the-line managers slowdown. In fact ICFC's own these days.

narvous about embarking on expansion projects.

'Over at ECI, however.' the hope is a period of tight credit , conditions will at last help to, cstablish this two-year-old opera-tion with a distinct role. ECI's first hivestment - in Bond Worth Holdings - went disastrously wrong, and since then it has found only a bandful of investments. Its most recent action has been to underwrite a rights issue by Hawkins aod;

Tipson. The problem has been that-ECI has very little room for-manoeuvre. After the Bond Worth flasco, it does not want to take big risks. Yer if it invests in solid situations, existing ahareholders may protest, as some did when EOI took a state in UBM group. The point, here is that institutional shareholders in companies ara very often also shareholders in ECI. They do not want ECI to put up funds when they would be happy 10 do so directly themaelves.

Barry Riley



Financial Times Menday January 15 1970

CORPORATE FINANCE V

Restrained growth in bank lending

the first and second quarters company transactions 2550-and the increase in consumer clated with currency spending.

companies - which on the sur-face seems rather aurprising. since such customers have priority for bank loans

BANK LENDING has bicked up since the spring, although the expansion has been fairly re-strained in comparison with the sbarp growth in output between There have also been intra-been have also been have also b

Despite a dramatic fall in Minimum Lending Rate, which hottomed out at 5 per cent in spending. Tha most sluggish area, of have reduced the need for re-lending has been to industrial duced UK companies to raisc October, 1977, In the autumn there was the external finance.

The corset — or special Among the reasons for the economic package in June as law loan demand from industry the growth in demand for pri-has been the introduction of the official "corset" controls de-signed to curb bank landing. requirement officially forecaat This bas generated company-to-company lending, bypassing the cial year brought fears of a professional, were among those least likely to have improved their liquidity through inflows

inflation was running at 8.1 per make-up days in the six months cent, so the inflation-adjusted of November, 1977 to April, increase in lending was about 1978. After the June announce-

not been smooth, however, and there has been some slackening in the latest six month period. Figures released last month by

In the autumn there was the the Bank of England show that first hint of a revival in the while bank lending in sterling fact that the categories of rose 4.2 pcr cent between mid-borrower which accounted for November 1977 and mid-most of the increase in clear- February 1978 and 4.4 per cent ing hank advances — agricul-ture, retailers, personal and between mid-May and midthe Bank of England show that August the increase had dropped to 3.9 per cent and in the latest three-month period to 2.3 per cent.

in sterling to UK residents has October exceeded by more than corset celling in August-expanded by 18 per cent. Over 4 per cent the average amount October, the period in which the the same period retail price outstanding on the banking restrictions began to bite.

ment the authorities sold that the scheme was to remain in force for a further eight months, until July, allowing 1 per cent expansion each nionth. The rate of deposits required

depends on the level of the excess increase of the banks interest-bearing resources.

Thus if the excess is 3 per cent or less the rate is 5 per cent. But if the margin over the limil is more than 3 per ceot but not more than 5 per cent, then the rate is 25 pcr cent. Thereafter the rate is terest-bearing liabilities of less than flum are not required to pay the deposits.

At the same time the figures than 70 per cent when output year. Construction industry revealed that seven banking institutions failed to come below the corset ceiling, and only one of these was penalised at the 50 per cent rate. Another bank was penalised at the 25 per cent rate, while the remaining five bad excesses over the corset ceiling of 3 per cent or

less. Bank lending to manufac-turers has trailed behind the per cent. expansion for other groups, even though the authorities were only four categories which showed any appreciable net growth in the 12-month to mid-November. Chemicals and bave repeated their guidance to banks on the direction of lending, stating that industry is the allied industries increased their first priority. The first occasion was at the time of the Budget and the second when the June

allied industries increased their bank borrowing by 32.7 per cent to £2.1bn; electrical engineering by 21.6 per cent to £811m.; other engineering and metal goods 24.2 per cent in £1.9bn; and shipbuilding 21.3 per cent to £621m. There were subst declines in economic package was introduced. There were slight declines in

Institutions with average in-terest-bearing liabilities of less than ftum are not required to pay the deposits. Bank of England figures released last month showed bat the main clearing banks in the 12 months to mid-November, an increase of 14.2 per cent. At the end of the period manufacturers were tabilities of less an extra film from banks in the 12 months to mid-November, an increase of 14.2 per cent. At the end of the period manufacturers were bank borrowing by the food. drink and tohacco sector and by vehicle manufacturers over the year. 28.6 per cent. to £1.9bn in the

borrowing rosc by 8.1 per cent was growing strongly. Two-thirda of the annual

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to £1.7bn. while bank borrowing expansion look place in a single by the mining and quarrying three-month period, between mid-May and mid-August, when manufacturers borrowed an sector fell 5.6 per cent to £1.3bn There is some evidence of fairly strong demand for leasing extra £689m, or 8.8 per cent more from banks. The com-parable increase in the followfinance. The category contain-ing this item. "other financial." recorded growth of 19 per cent ing three months was only 0.5 to £4.5bn in the year.

Bank lending to the personal sector rose 23.2 per cent over the year to £5.8bn. The overall in-Within the crude total there crease in bank lending to the service sector was a modest 8.9 per cent, but this disguised large variatious.

At one extreme lending to public utilities and the central government actually fell, by 13.2 per cent to £2.9hn. At the other there were increases of over 20 per cent. Lending to rctail distribution rose 12.7 cent to £1.7bn and to other distribution by 26.8 per cent to £3.1bn. Lending to the profes-sional, scientific and miscel-Thare was strong growth in laneous sector rose 20.2 per cent borrowing by the agriculture, to £3.6bn. forestry and fishing sector, up

David Freud

from abroad. Although the underlying The slackening can be attri- 50 per cent of the excess growth rate of growth remained at the huted maioly in the impact of in interest-bearing liabilities. the corset as banks struggled to Institutions with average insame level - about 1 per cent bring their interest-bearing resources. or cligible liabilities, under the set limits. the decline in the rate of in-China opens flation meant that bank lending hegan to rise in real terms from The corset came into opera- Bank of England figures tion if the average of 2 bank's released last month showed about the turn of the year rather than fall. the gate to exporters

ONE OF the most significant will be made over five years, events for British exporters last tied to an estimated mean year was the conclusion of a delivery, final delivery or instal-ONE OF the sporter last tien to the sport of a delivery, final delivery or instal-st.2bm credit deal with China. Lation date. Contracta must be showed by December 6 this banks, which did much to en-bance the reputation of the banks concerned and the Export Contracta must be approved by December 6 this pleted by the same date in 1982. The agreement itself is a sim-plified version of a normal line of credit, which excludes some role.

Mittsiment

kind negotiated by China, through the Bank of China, and will operate much the same as a normal line of credit, allowing exporters to supply a widerange of goods and services on deference to the Chinese prac-the hasis of credit provided at tice of leaving much unsaid in internationally

rates of interest. British initiative will be fold the agreement more than the

British initiative will be folt the agreement more than the lowed by similar arrangements letter of the contract. in other European countries.— Although exporters to China such as France, which has yet will no doubt be willing the use to give details of a similar the facility without hesitation scheme—it says much for the for smaller contracts, particu-adsptability of the UK export larly for goods which can be finance system and also for the supplied off the shelf, there is Bark of China. Ilkely to be 'some hesitation Export finance remains a where complex high value pro-higbly competitive field, with jects are involved under the the major countries anxious to present agreement. be ahead of the game while It is also clear that the banks remaining within the interna-and ECGD have had to agree to tionally accepted rules on in- a slightly higher degree of terest rates and periods of liability than would formally recovery (or at least without have been acceptable/however

(ECGD), which played a leading of credit, which excludes some of the more complex legal The deal was the first of its requirements developed for more litigous countries, particularly in relation to arbitration in the event of a dispute over a

contract. This was also done in nternationally competitive the conclusion of contracts on ates of interest. the understanding that, both Although it is certain that the parties will honour the spirit of

recovery (or at least without have been acceptable hnwever breaking the rules too in a matter of such national blatantly).



lrade, reflecting the more out-going political attitudes of the 1102 Chinese.

China had long upposed the provision of credit in any form, but more recently agreed to consider a deposit facility through the Bank of China. This was successfully adopted in Japan and medified by British hanks into an agreement which is very similar to a line of credit as far as UK exporting com-panies are concerned.

Nominate

The UK hanks have now spelt out the way in which the agree-ment will operate. The Bank of China, working in conjunction. with the Chinese State trading corporations, will nominate contracts for inclusion under the There are also indications facility to the UK bank con. that the Chinese are also seek cerned: after agreement by the ing a very large lous-term UK bank and ECGD that the load agreement with Japan deal qualifies, an approval inprinciple will be issued by the UK bank to the Bank of Ohina and the company concerned. Later, after the conditions precedent to the contract have been

fulfilled, a formal Notice of Approval will be sent by the UK bank to the Bank of China and the supplier

and the supplier. A cheque payable to ECGD must be forwarded by the supplier company to the UK hank to cover the premium charge, and will be the only financing provision to be allowed for in the overall can-

tract price to be negotiated withthe Chinese State trading corporations. The payments clause in the

contract must provide for a pay-ment of not less than 5 per cent within 30 days of signing, and a further payment which when added to the initial payment. will result in a total of not less than 15 per cent, on or before each delivery or service

rendered. An appropriate reference also needs to be made as to the documents required for pre-sentation to the Bank of China sentation to the bank of Linna to enable the amoint guaran-leed by ECGD to be paid, and that such payment will be through the nominated British bank under the deposit

35m al an interest rate of 7.25 but it would appear that things per cent. The repayment period are now moving in the opposite lepends on the conditions of direction. each individual contract, 10

qual semi-annual instalments

When it became clear that the necessary and in air case all Chinese were adopting a new parties have placed great and more dexible attitude to reliance on the Bank of China. Irade, reflecting the more out. It is unlikely that any subse-going political attitudes of the guent agreement field leave so country, British hanks saw the many blank spaces, and discusneed for financing arrangements sions are now fikely to centre which would have to meet the on the provision of huyer credit cautious requirements of the agreements for larger individual contracts.

Concessions to the Chinese are, however, a price that ambitions exporters apparently have to pay. Although few substantiated details, have emerged on the terms of proposed Japanese loan agreements, the concept of "developmental" loans at a rate of 6 to 61 per cent is regarded by most other countries with some suspicion.

Although Japanese hankers claim that such loans will not be tied to Japanese products and are in any case faced with pressure from China to extend loans in dollars rather than the strong yen, it is obvious that much of the business generated would go to Japan.

There are also indications that the Chinese are also secking a very large long-term doubling existing proposals, which would go a long way towards financing their trade dnring the early part of the

1980s In those circumstances. Japanese banks would be under great pressure to offer conces sionary terms which could in turn lead to a round of damage ing competition on interest rates between all the major exporting countries, many of which are also faced with growing problems over exports to the Middle East ...

France has recently con-cluded a credit agreement with China which is understood to be valued at FFr 30bn over a 10 year period, also guaranteed by its official export credit organisation, Coface, and although the details of the deal

bave not been revealed. some bankers believe it may be at a concessionary rate. The United States has long been unhappy about the tendency of some countries to drup

interest rates or lengthen the term of loans where a new and important market is developing and exporters see the need to establish their presence.

At the last meeting of the EOCD consensus nations in Parts, the U.S. delegation was Britisb bank under the deposit outspoken on the need for a facility arrangements. Tightening up of the rules. Other more normal require which specify interest rates of ments are that the minimum 77 to 71 per cent on export contract value be not less than credits for developing countries. Sim al an interest rate of 256 built smill another the thing.

Lorne Barling



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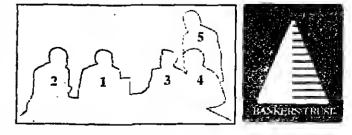
For instance, we arranged a medium term loan to help a company expand its wholesale distribution outlets in the U.K; provided funds for development of an oil field in the North Sea: arranged facilities for British companies needing working capital to manufacture equipment used in offshore oil fields.

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CORPORATE FINANCE VI

Limited role for merchant banks Govern to shoulder. Indeed, if there is The latter's merchant banking way of doing husiness and do Benson, Hill Samuel, Schroders arranged under the Over the past 12 months their The borrower who could be an WHILE THE merchant banks may impress the need for full position in the local market has industrial company anywhere not pose any balance sheet prob- and Morgan Grenfell.

affairs. None of the accepting able to increase their londing houses reveals its true profits substantially to the personal Barines in fact only declares sector the merchant banks have enough profit to provide exact cover for its dividend—and none of them publishes interim figures. Instead, they prefer to issue anodyne statements hint-ing that either profits are up. down or almost the same. Nevertheless, in occasional moments of indiscretion most merchant hankers will confirm that 1978 was hardly a vintage year for their profession.

In the previous year most of them had a hnnanza. The gilt-cdged market had heen booming which meant that there were plenty of profits to be had for the nimble-footed operator. There had been a steady stream of rights issues and nne nr twn major financial/corporate succcss stories such as the buge placing of BP shares or the flotation of Lasmo where the merchant hanks could show nff their prowess.

pretty dull year for the mer-chant hanking community. The number of rights issues has However, 1978 has been a off in line with the tailed corporate sector's financial needs and apart from a handful of small companies, there has heen a dearth of new issnes. In addition, competition for international banking husiness has been cut-throat and margins nn domestic business have been hy them amounted to over under pressure.

In terms of direct lending £12bn. husiness, the accepting houses necupy only a minor role in the financial system. They account for ahoul 4 per cent of the total assets of all the banks in the UK. Their total fontings run in about £9bn, which is small in comparison with the £50bn-plus controlled by the London branches of the American banks, Of course, the latter are boosted by a disproportionately large amount of Eurn-currency husiness, bul even so merchant hanks still account for noly about 6 per cent of the storling market. In to pay when the bill matures lerons of storling advances they and is presented. After it has iend somewhat less than the been accepted the blll- of three Scottish clearing banks exchange becomes a highly and considerably less than the liquid negotiable asset which is U.S. banks in the City.

been faced with sluggish demand for funds from their traditional industrial clients. Over the 12 months to August 1978 the banking community as a whole in-creased its lending to manufacturing industry from £9.4bn to £10.6bn but the merchant banks' lending to this sector remained almost unchanged at £361m.

About the only type of merchant bank lending which showed any sort of increase last year was to the service industries and in particular to those parts covered by the profes-sional, scientific and miscellaneous category.

However, while the merchant banks' direct lending to British industry is small beer in com-parison with other financial institutions, they have always insisted that they were much more important in "mobilisfinance for their clients. ing Accepting Houses Committee tried to assess the importance of this indirect provision of fuids by the merchant hanks in their role as managers. They reckoned that while the accepting houses' advances at the start of 1977 amounted to about £2.5bn, the total funds mobilised

Negotiable

There are two major areas where the accepting houses are important providers of indirect finance. The first is the traditional acceptance credit which recently has been experiencing a new lease of life. An "accept-ance credit" involves the borrower selling a bill of cussion over the past year. The exchange in an accepting house. rewards of small husiness and In return for a commission the merchant bank "accepts" the hill of exchange and promises up, But. even now, while a much

and frank disclosure on their come under further pressure. In the country, then receives the lems for the merchant banks corporate clients, they do not The main problem is that while money. say very much about their own the clearing banks have been By agreeing to "accept" the name to the hills.

like to do this type of business since it provides industry with a useful source of working capital and is an Ideal asset since every transaction is selfliquidating and the banks do not have their money tied up for long periods. Although it used to be regarded as rather an old-fashioned way of providing finance which was on the way

to look for ways of boosting in the medium-term Euro-their lending without paying a currency lending market but bas penalty. An obvious way is by nsing acceptance credits since they are regarded as guarantees rather than straight bank loans. Over the past year sterling acceptance credits for the banking system as a whole have shot up from £2.3bn to £3.3bn and in the form of outstanding for the accepting bouse they advances and acceptance credits, bave risen from £1.2bn to another £6.0bn had been raised out, acceptance credits have £1.4bn. Among the merchant from non-merchant banks by the been experiencing a resurgence banks, roughly three-quarters of accepting bouses in their role in popularity. One of the the acceptance credit husiness as managers. In addition, reasons is that they are an easy is done by Hambros, Kleinwort another £1.6bn bad been

By agreeing to "accept" the name to the hills. borrower's bills, the merchant bank enables the industrial company to tap the short-term money markets. In return here begun to be used with notable effect in the domestic market. In its evidence to the Wilson the Accepting Committee Houses Committee estimated that apart from the £3.6hn provided by the merchant banks

ment's export credit scheme.

giving financial advice and their role as arranger of equity finance. They respond to the demands of industry and the fact that the number of rights issues feli during 1977 had little to do with the availability of finance, only the fact that the demand for funds was not there. The same goes for the new issue market. There have been a number of small issues led by Robert Fleming and others but there bave been no major company flotations such as Plikington Bros. or Sainsbury. areas such as international busi-Some big private companies

are no doubt sby of coming to chant banking is being chal-the market because of the lenged successfully by both the the market because of the lenged successfully by both the increased public attention and more aggressive foreign banks responsibilities they might have and the domestic clearing banks.

any criticism of the merchant subsidiaries may never have the banks, it is that they have cachet of a Warburg, Kleinwort For most people though mer banks, it is that they have cachet of a Warburg. Kleinwort chant banks are best known for brought some companies to the or Rothschild but they have market that just were not ready stolen a lot of the merchant to be floated. The performance, banks bread-and-butter busifor example, of companies such ness.

for example, of companies such as Thomas Borthwick and Wilson Walton Engineering, following their finatation has been far from brilliant. For the merchant banks though the main problem at the moment is trying to sort out their long-term niche in the financial system. Their business has changed enormously over the past few years and their dominant position in certain ness and now domestic mer-

Some new initiatives have

A cynic might say that a

The merchant banks have lost

Financial Times Monday January 15 1919

their market share over the last decade and seem likely to jose still more over the next few years. Aside from one or two exceptions such as Grenfell, Kleinwort S. G. Warburg and notable Morgan Benson. Robert Fleming the funds by the merchant banks in the mer-chant banks has been nnispiring and this has meant that they have not been able to expand their lending and maintain their market share.

William Hall

Initiatives needed on risk capital

own manufacturing or service associated with raising funds business is a difficult task. It for it has been generated, there requires ideas, skills, hard still remains a dearth of work strength of character, and statistics about this sector, involves much worry in the initial stages.

"The rewards, however, are great. It enables men and women to be in control of their own lives, to be in charge of. their own kingdoms, to put one's ideas on Industrial relations into practice. There is tremendous satisfaction to be had from seeing one's products and servicea sold or used, perhaps all over the world, to

back one's hunches successfully, to meet all kinds of people." These remarks made recently at the launch of a small business competition-explain a spirit of adventure and entrepreneurship that bas been the subject of much disthe existing and potential benefils of this sector to the national economy have heen well alred. So, inevitably, has the problem of financing small companies and thuse starting

sold to the discount market, wider appreciation of small

"THE SETTING up of one's businesses and the difficulties who has founded several ven- get a new pany formation and the financ-ing of new business. He is also the founder of Enterprise North, particularly in relation to a voluntary organisation of busi-

venture capital. A good indication of the amount of debt finance provided nessmen which aims to encourage new company formations in to industry by way of overdrafts the North. and other facilities emerges He was talking at the launch regularly from banking of a "Build Your Own Busi-statistics. But what level of risk ness" competition, sponsored by money is made available each Shell and run by Enterprise North and Durbam University year is anyone's guess. Part of Business School. Competitions the problem is that most institutions which provide pure ven-ture capital—and they are few and far between—also extend have been something of a feature of the small business-venture capital scene in the past other types of credit. So the venture capital content is not year or so, with new ones taking their place alongside those clear. Then, there are other established for some time. sources of risk capital, such as

undetected.

Mostly, they have involved straight cash prizes, but one companies and individuals, which remain for the most part of them is keeping strictly within the nrbit of venture capital hy offering the winner It is clearly necessary to equity funding at normal comdifferentiate between venture capital and other types of merciai rates, finance since confusion fre-

quently arises, let alone between differences of opinion Innovation over definition. Venture capital

is essentially equity funding for Among the competitions has been Technical Development companies starting up or for embryo projects. This contrasts Capital's Innovator of the Year with, say, development capital which is extended to established Award, which carries with it a which is extended to established £10,000 first prize. It went to organisations to enable them to Graenie Minto, who has achieve a new phase of expan- developed an ink-jet prinling system. But as well; as being

technology-based tures and who is well qualified venture off the ground, and job? to talk on the subject of com- therefore the size of the Ar pany formation and the financ- challenge facing venture indep Independent

capitalists. For Mr. Minto's development than venture capital, gives an costs-his system uses microinkling of the ground to be made processors-ran into " hundreds . up. The report said that bank of thousands" of pounds and up. The report said that bank without the assistance of Cam- loans accounted for only 13 per cent of loans outstanding at May bridge Consultants, where he used to work, and where he did 1977, whereas the sector pro-vided 40 per cent of the GNP much of his development work, vided 40 per cent of the GNP the project probably would not and 35 per cent of private bave got off the ground. sector jobs. The report also Development Capital, an maintained that losses suffered associate of the Small Business by the banks in this accor were

ssoclate of the Small Business Capital Fund, is offering straight venture capital. In association less than 1p in the pound. Even though evidence such as this arguably adds weight to the lobby seeking a more flexible with the French and German. venture capital concerns, Sofinnova SA and Deutsche approach by the clearing banks to risk financing, little real pro-gress seems in the offing. Banks Wagnisfinanzierungs - Gesellschaft respectively, it is sponsor-ing a European "Company of the Year" competition where each national winner, judged to remain convinced that their contribution to the well heing of the small business sector should. be the most profitable business, or potential business, will receive around £100,000. The be by way of overdrafts rather than equity capital. competition is being featured on been taken, such as Midland BBC's The Money Programme in Bank's scheme in association with the NEB to provide small companies in the north with the UK and on Antenne 2. Television in France.

It is this sort of exposure, funds requiring little or no together with wide Press coversecurity but overall the amounts age and other television pro-grammes such as the BBC's "Risk Business," which bas. of venture capital money are stil) very modest. highlighted venture capital as a cosmetic job is being done in tandem with the growing activities of Mr. Harold Lever, subject to be considered. But The opening remarks were an example of innovation. Mr. have things really changed that made in a speech hy Mr. Herbert Minto's experience also shows much in the venture capital Lochi, a Northern husinessman the scale of money required to market, or is a lot of the activity the Minister with a special brief for small companies, and, in anticipation of the report by Sir

taking place more of a cosmetic expected to show that, whereas most areas of finance are well provided for, venture capital is the weak link in the chain. .A report by the Association of Businesses in October, though it embraced essentially debt finance rather

If the institutions can demon-strate that they bave been adopting a sympathetic approach towards venture capitalism, even though the amounts lent might-still be low they would be able to take the sting out of any criticism that might emerge in the wake of the

Wilson report. Meanwhile, there are still examples to show that the traditional sources of venture. capital — private individuals — are alive, if not kicking with such gusto as they once did. Such new enterprises as an aerial crop-spraying business and a new board game, Skirrid, which have both been featured in the Financial Times, got off the ground with the benefit of substantial cash contributions or guarantees from private

backers and they have since been further assisted by private. companies taking over the mantel of fairy godmother with venture capital facilities. An interesting development, is a new venture which is.

likely to be announced within the next month or so. The people behind it sought out finance from banking Institu-tions, but without success Instead, offers of cash backing, by way of equity funding, have come from companies. One of these offers has been taken up and the venture is now on the Harold Wilson's committee on financial institutions. This report has for long been verge of being launched:

Nicholas Lesie



Finance houses flourishing

merchant bank JENFITE THE omeiai nniabiy in preas like working tions on the normal pattern strainls on consumer credit, the capital. Nor are finance house repayments associated with hire finance houses have continued funds likely to find their way purchase and leasing contracts. Some have curious names like balloon of skip payments. The to expand their operations over into capital requirements de-the past year. Not all the houses manding long-term or perma-have inveiled their results for nent finance. In the main former are mostly used in con-tracts where goods have a high 1978, but from those that have finance houses function as a proresidual value, while skip pay-nicnls are tailored to suit customers in the construction it is clear that some sizeable vider to industry of medium advances in new business have term money for investment in been taking place. plant. machinery and vebicles. Mercantile Credit, which is Finance of this sort varies part of the Barclays Bank from house to house and in some industry. Many contractors know in advance that at certain times of the year plant will be forced to lie idle. group, increased its receivables instances can be a specialist, under the accounting heading almost bespoke, arrangement. of customers and other accounts Basic credit finance, however, hy more than two-fifths in the splits into four basic forms-12 months ended last Septem- hire purchase, leasing, contract Advantages Both hire purchase and leas-ing contracts offer the user tax hire or rental and direct loans. ber, with assels out on bire or lease advancing by no less than three-fifths. Within the National The greater part of finance house business with industry advantages. The two types of Westminster Bank enclave, Lombard North Central reports contract have quite different tax treatments, but by and large the centres on hire purchase and leasing. Both are forms of insome equally striking progress. stalment credit and with both choice before the customer boils Over a similar period, new the "borrower" gets the assurance of finance for an down to whether or not he can take immediate advantage of the business at Lomhard North Cenagreed period (one generally covering the working life of the capital allowance available on new investment. If he is temportal rose by just over half to around £700m, and for the openrarily short of taxable profits be clearly will be less anxions to avoid tax liability. assets being purchased) at a cost known at the outset of the ing quarter of its current financial year to September 1979 the company reports even sharper gains. Like Mercantile Credit, transaction. In both cases the asset pro-If full tax allowances can be vides the lender (the finance house) with his security, and Lombard North Central cites used a customer will almost invariably plump for a hire the current boom in leasing purchase contract. Otherwise leasing hecomes the generally where new business more than trehled last year—as the driving force behind this expansion. only in exceptional circumstances will a finance house require additional collateral, chosen financing route This latter tends to hinge on such as a charge on other assets. Total new business at Lomwhether the leasing company is Contract hire and other forms bard North Central in 1977-78 of rental are for the most part variations of leasing. This is a included just over £100m arising outside the UK. The figure for in a position to claim capital allowancea and is prepared to pass on to the customer all or part of the consequent profit benefit. This caveat is overseas businesa was broadly maintained, but the palterns within the domestic performspecialised facility mainly used for vehicle financing in which the user pays only the pre-calculated depreciation during This caveat important. No one set of rules can be applied to every situa-tion. In the final analysis only ance provide some very illuminthe fixed hiring period. ating messages about the present condition of finance house "iending." Freating quently provisions for mainten-ance, service and repairs are the borrowing company, aided included in the contract. In the by its tax adviser, can decide on the best form of financing. case of heavy commercial vchicle contract bire, provisions for drivers and fuel can also Imagination As for operational trends, Lombard North Central reckons that the average term of its non-leasing contracts Non-leasing forms of instalform part of the package deat. As an alternative to bire ment credit expanded by around a sixth to £382m in terms of new purchase some sections of in-dustry settle for direct loans with the security in a re-saleahle would be in the region of 44 business, while the company's months, while the company's honths, while the company's leasing managers see a move lowards greater utilisation in their field. "Bigger buyers are asking for larger amounts." is how one Lombard North Central manager puts it. full leasing operations moved from £68m in 1976-77 to no less asset being replaced by security in credit-worthiness. Loans of this nature are mostly made for than £216m last year. The key to this bigh demand for leasing is motor-vebicle demand. Merspecific and wall established cantile Credit underlined the manager puts it. Instalment credit plirpnsea. point in its recently published accounts for 1977-78: "These As for the terms of credit finance the sort of down pay-neots demanded by hire pur-Intensely competitive business and the list of finance bouses is long. The largest, arguably, is Lombard North Central with figures reflect the increased acti-vity of all sides of our instal-ment credit business, including car leasing, which has captured tha imagination of the business chase and leasing contracts are hroadly similar in cost. Hire hroadty similar in cost. Hire is field force of over our work-purchase down payments consti- a field force of over our work-tute a deposit, while for leasing ing from some 110 branches tute a deposit, while for leasing ing from some 110 branches this amounts to the spread across the UK. But Mersector," declared the company's chairman. The role of the finance bouses as providers of capital to in-dustry has tended to be clouded spread across the ore but her-cantile Credit, Bowmaker, For-ward Trust and Lloyds and Scottish are never very far behind. Most major credit com-Both types of contract are quick and inexpensive to arrange. And in both cases a high degree of a little in recent years, but a mimber of broad conclusions ficxibility of terms can be agreed. The detailed terms of panies have clearing bank links or parentage. United Dominions Trust the largest of the comcan none the less be reached. In general, finance bouse facilities a repayment can be adjusted to match each customer's anticipanie pated cash flow which belps to its r make the "discharge of his Prud liability" as palnless and as Star. panies independent of the banks: its principal shareholders are Prudential Assurance and Eagle do not compete with those of the clearing banks, which, especially efficient as possible:



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through the use of overdrafts, tend to underpin the day-to-day needs of the corporate sector,

There are a number of varia

Jeffrey Brown

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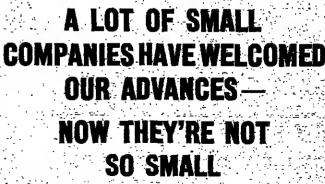
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rinancial 'innes Monday January 15 15.3

CORPORATE FINANCE VII

Currency risks hit Euromarkets

VIOLENT AND almost units some new openings into the ferrupted foreign exchange international markets for fuctuations, coupled with a British treasurers proved to be sharp increase in American and "false dawns." British interest rates, pade 1978 The loudly acclaimed Euro-one of the most difficult years, sterling bond sector, which on record for most corporate apened up in 1977, effectively treasurers attempting to choose obstad in April 1877, effectively on-record for most corporate treasurers, attempting to choose ficancing alternatives in the International credit markets over the past 12 months.

"The "strong." currency areas. improved international position such as West Germany and in 1977, and the demand by Switzerland, showed apprecia foreigners for UK Covernment tion ranging up from 10 to 15 bends. This had prompted some per cent against the dollar, bond managers into obtaining This clearly became a dominat. Bank of England permission to ing factor for companies in use sterling as a vehicle for Britain and alsowhere attempt. Eurobond issues. ing te mount new borrowing in continental Europe.

continental Europe. In most cases the low interest rush of new borowings in this rates evaluable, on Deutsche fiedsling market quickly proved rates available, on Deutsche Marks and Swiss francs to around 6.5 per cent and 3.5 per cent respectively on longterm top-quality bonds by the leng, existing issues moved to sear-end falled, to: counter a deep discount despite coupons balance the prospect of high of up to 11 per cent, and the foreign risk when working from £30m issue by INA Intera sterling or dollar operating base. Some large British companies have nonetheless / braved the strong currency zones, and one

topical example is ICL . It is currently refinancing most of its outstanding debt in the Swiss bond market, in order to obtain longer maturities and lower interest costs. As part of the transaction. ICI is launching a new SwFr 230m bond, into which holdings of several of its existing issues can convert With luck, ICI can obtain a coupon as low as 3.5 per cent, based on current Swiss capital market conditions.

Savings

The bonds being redeemed early bear coupons ranging as high as 6.5 per cent. So ICI can to international investors count on interest savings alone running as high as fim annually.

" However, the key factor will ance of companies themselves be future exchange rate trends to incur such fisk that led to fin the Swiss franc. British a curfallment in dverseas borrowers, such as the Greater financing programmes. London Council have taken For instance. British bor-swingeing Josses on Swiss franc. howers neglected the equity swingeing losses on Swiss franc fowers neglected the equity-losns, because of the latter's linked side of the Enrobond appreciation against sterling market last year, despite the

ICI is partly projected against. Tact that the Brilish stock mar-such risk, thanks to the fact that ket generally performed well it holds substantial European over the course of 1978. sets in Deutsche Marks and güilders. which have both convertibles were laugched, a tended to show a degree of

ana

rusi

maio headed by the big clearing banks, several of which

rate note side of the dollar Eurobond market. Among the biggest issues was the \$150m "floater" from closed in April last year, with the market in full-scale retreat. the \$150m "floater" from National Westminster, accom-The Eurosterling market had panied by \$75m in capitat bonds. Many European and revived in response to Britain's Japaoese British. markel last year, parily in order

10 obtain accute long-lerm sources of dollars. In 1978 total UK issues in the international bond markets (including public sector floata-tions), declined to \$1.36bn-Bot in the absence of any tions),

equal in comparison with the growth year of 1977, when \$1.9bn of issuea were launched. In fact, the main growth area too much for its absorptive for external British borrowings capacity. With a rise in British waa in medlum-term syndicated interest rates adding to probbank borrowings. Herc British horrowings nominally expanded to \$2.4bn in comparison with the 1977 figure of \$1.9bn. £20m issue by INA Inter-national Holdings and £15m bond from Sears in April repre-Upturn

sented Eurosterling's swan-The broad movement into bank borrowings in the Euro-During 1978, for the record, currency markets, and away other Eurosterling borrowers from bond finance, by many comprised EIB (£25m), Rowntreasurers in 1978, reflected the sharp upturn in U.S. interest tree Mackintosh (£15m); Allied Breweries (£15m), Finance for rates, leaving them on the point Industry (£12m), Citicorp of reaching the record levels (£20m), Gestetner (£10m), and last toucbed in 1974-75. Whitbread (£15m); Syndicated

roll-over Eurosterling apart, the use of loans—whose interest the international bond market are typically re-fixed every three British borrowers declined or six months in line with interbank This was in contrast to the obviously represent a more previous year, when the UK's better international standing, flexible borrowing form than fixed-interest straight bond debt, following an improvement in at a time of volatile interest sterling and the related struc-tural recovery in its balance evcls.

Even prime borrowers are payments made Britisb now having to concede yields corporate risk acceptable again virtually at the 10 per cent level to obtain long-term fixed-rate But faced with such a financing in the U.S. and Eurotempestuous foreign exchange bond markets, dollar an scene, it was often the reluctunpleasant prospect for many borrowers.

There was another important reason last year for deciding on international bank borrowings

While dollar-based interest rates moved against borrowers ability of a wider range of UK in absolute tering, many comand governmental clai paper. approached their Some panies and entitles bankers for a refinancing of Only two dollar Eurobond obtain the twin aims of longer tial corporate candidates lived \$30m 15-year Issue from Boots

British porrowers were in the ing of the UK Treasury's \$1.5br balance of payments facility in July, under which the margin tapped the expanding floatiog was lowered appreciably and longer maturities achieved.

In the private sector many companies found last year that their bankers were willing to accommodate similar refinancings. The British and American banks, faced with a surfeit of international liquidity and mindful of fending off aggres-sive competition by their Japa-nese and German counterparts, banks, besides the utilised the FRN have only too often been willing to concede better terms io orde to relain the custom of a valued

multinational client. The UK public sector towards the end of 1978 also gave a lead in another area which may prove to become an important source of corporate borrowing In the future.

British Gas Corporation started in December to issue commercial paper in the New York Markets, under a pro-gramme aimed at making up to \$250m of such placements over the next few months. It was effectively the first UK State agency to commence commercial paper sales in the U.S., and its programme is part of an overal plan by the Treasury to develop the American capital markets as an outlet for public sector borrowing.

Commercial paper represents one of the cheapest sources for borrowing short-term dollars, either in the U.S. and Euromarkets, and is goining greater attention generally among Euro pean corporations.

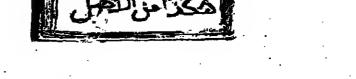
British Gas set up a \$250m Eurodollar standby, reflecting the need to bave equivalent hank back-up lines as part of a commercial paper operation. It also gained a credit rating from the main U.S. agencies, the other main proviso needed in order to

issue commercial paper. Top-quality UK companies such as ICI and BP have tapped commercial paper in the past. The presence of a British

governmental borrower in this market may well help to famillarise U.S. institutional in vestors with British names, and thus help to speed the accent-

corporate borrowers in commer-Some of the UK clearing banks, for instance, are known their existing debt in order to in have their own list of poteo-

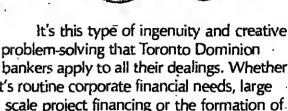
maturities and more attractive un for such issues over the



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kept pace with the Swiss franc. a Thorn Electric 10 year \$25m The year also illustrated that issue at seven per gent.

aong.

by

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1978.

For Britain. the most celebrated case was the restructur-

bank

rates

John Evans

New issues at low ebb

finance can be raised for British regulations which listed com- can trade shares. commerce and industry, and for a variety of overseas ventures.

This is not to say that the need the stock market. For Stock Exchange no longer has a role to play in the national economy. That could hardly be true when the net amount of A fourth appert can be men-Government gilledged stock tioned. Companies use the sold in just the first nine months stock market not just as a place of 1978 was around £3.75bn. In to paise money in, but also as the two previous pears the Gov- one to spend money, by buying erament had sold gilts at the shares in other companies the Stock Exchange Council is even higher rate of over fibb During 1977 companies raised deeply concerned is that the annually.

Exchange is no longer a capital, dominating force in the finance. The Stock Exchange has estimated to own significantly dominating force in the finance within antician measures to try to more than 50 per cent of all ing of industry. This has various taken certain measures to try to First, the demand for new successful private companies.

capital by quoted companies has. The Stock Exchange Council, for declined (though it source tem-porarily after the credit crubbh sis to the facility under Rule in 1974). During 1978 the 163 (2) (a) whereby applica-amount of new money raised tions may be granted for specific by listed companies through bargains in unlisted securities. equity issues was only about by listed companies through bargains in unlisted securities. equity issues was only about 'Recently, the Merrydown cider S500m, if the rights issue by BL company was introduced to a (effectively all provided by the National Enterprise Board) is ignored. This was the lowest figure since 1974. Second, the stock market is no longer a significant raiser of new fixed-interest capital for in company was introduced to a kind of unofficial listing in this way. Details of trading under fiss trute are given in each Saturday's Financial Times, and it is clear from the shares men-tioned that besides the activity in completely unlisted com-

new fixed interest capital for tioned that besides int accomprise industry. The base thris panies, there is also regular ing market in debentures and trading in some of the shares-

. .

loan stocks is gradually dying a such as James Burrough-which death-in 1978 there was a net are listed on the Nightingale repayment of rather more than "over the counter" market. \$100m of sterling company "over the counter" market. IMITED

bunds. Third, the attraction of a stock on the Stock Exchange to market listing to small British tighten up its regulations. Listed companies continues to be companies have to comply with imited. The flow of new come a voluminous rule book, and im-pany liatings has continued at pending legislation on "Insider" to mark the affairs of companies, it to let pass the lion's share of becomes much easier for Govern-those juicy institutional cash flows. If that day comes, then the Stock Exchange will once concentration of abareholding power in the hands of a rela-to mark that day comes to power in the hands of a rela-tional function of institugn' ^{gn}

Exchange, has regarded, itself, forward for this the poor ratings directors or executives can say control of industry, as a market place in which of amail companies, tougher and on whether and when they The Government i

panies have to comply with, the Political pressures such as stricter attitude of auditors of those concerned with share stricter attitude of auditors of dealing, malpractices and have bared. tributed through Inflationary economic policies which have led in the complete collapse nf loan capital companies now

annually. Moreover, the Stock Exchange issues, but spent almost £700m rapidly changing. As recently has a very substantial and on other company ahares, as the 1950s the stock market important activity in maintain- largely through takeover bids in waa still dominated by private

UK equities. Tax reliefs advanced to house called "profit-sbaring" schemes owners and to contributors to whereby employees can pension plans, but not to sustain its fading appeal to UK equities. pension plans, but not to individual share buyers, have changed the shape of the savhnt they are channelled through institutions numbered in hnn-dreds, rather than small investors numbered in millions. This has implications for the investors tend to like big com-

TRADITIONALLY THE Stock Various reasons can be put further restrictions on what new political issues about the

The Government has not been slow to exploit the enormous financial resources of the institutions, which in 1979-taking The foreign ambitions of the listed companies, greater opport dealing, malpractices and the life assurance companies stock market, have long since tunities for proprietors of pri-financial disclosures have played and the pension funds together collapsed in the face of foreign wate companies to find ways a part in the estrangement of ______and the pension funds together exchange controls. Now the UK, round pay controls, and the stock market from industry. Thus the Government has role is also threatening to fade; crippling far rates on earned in The Government has also con-rasied interest rates to a level which makes it inevitable that the bulk of the money will be attracted into gilt-edged securithe company bond market. For ties. The stock market bas been converted, primarily, into have to thrn to the hanks which. a means of financing the public sector.

How could this ba changed? The Stock Exchange has embarked on a campaign to reatimulate interest on the part of private investors, bot ao far this has achieved little. Fundamental changes are required in the tax avatem and in the atlitude of the Government.

Concessions

important activity in malariant. largely throngh takeover bids in ing a secondary market in cash. Most of the money there-equities. The total value of fore went back into the stock a populist flavour and a varied existing Ordinary shares in market. During 1978 (though British, companies is rather full flautes are not yet avail-big investment institutions. Now, the Stock Ex-hange is of shares are still that companies were net traded every day. But plainly, the Stock Tather than bet raisers of new ing of industry. This has various laken certain measures to try to

it is not necessary to look any further than across the Channel ings market. Enormous sums to France to find a country still pour into the stock market, where share ownership by individuals is being actively encouraged.

As for the Government, it will be necessary for the attempts stimulate the economy to shape of the equity market: big through persistent large public sector deficits to be moderated. investors tend to like big com-panies rather than the The result of the combination thousands of small companies of a large public deficit and which traditionally have been relatively tight mometary listed on the London market restraint inevitably has been a There are alao profound nasty squeeze of the private political implications. Without sector. But some future e. wide public involvement in Government may one day decide

BANKING SURVEYS IN 1979

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Spanish Banking and Finance	March 28
Multibank Consortia	March 30
Austrian Banking	April 24
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pays to come to the leaders in the industry. And in leasing, the firmly established leaders in the UK are BMI (Barclays Mercantile Industrial Finance).

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Record year reflects the popularity of leasing

CORPORATE FINANCE VIII

LAST YEAR went out with a flourish for the leaslog industry. Contracts worth many millions of pounds were signed by leasing companies taking advantage taxable capacity available at December year-ends, and yet another record year drew to a close. The outlook for 1979 is similar to that of a twelvemonth ago-extremely buoyant.

leasing company The members of the Equipment Leasing Association will bave added about £1bn of new capital assets to their books in 1978. compared with £675m in 1977. In addition to this there is a large, unquantifiable volume of iovestment in leased assets by corporations seeking to take advantage of first-year allowances hy purchasing plant and machinery for lease to third parties. Estimates of the volume of money involved varies between 10 and 40 per cent of the ELA totals.

Industrial corporations are leasing plant, vehicles and cquipment more readily now than ever before, and leasing as source of finance continues to grow at a significantly faster option to purchase the asset, rate than other forms of industrial finance. The Royal Dutch Shell Group of companies, for example, valued its lease obliga-tions at £173m at the end of 1977. which represented a little under 6 per cent of long-term borrowing of £2.7bn. At a recent conference in London, the Regional Treasurer at Shell

International Petroleum responsible for leasing. Mr. G. R. Whitley, summarised the cor-Attractive poration's reasons for leasing

as follows. There were times, he sald, then in conventional taxoriented deals the lessee could vestmeot for corporate funds, when make less use of depreciation providing opportunities for allowances and investment medium-term finance. In fact rendits than the lessur in a leasing has provided a steady credits than the lessur in a particular tax jurisdiction. This was a cost-saving consideration. but often there were other objectives which made a lease package attractive. Leasing allowed a diversification of

sources of fuods, giving access A thriving sub-industry in to funds not normally available. lease brokerage has emerged This applied to some sectors of over the past two to three years, which has had the effect the institutional market, where funds dedicated to a specific of creating significant rate com-

petition hetween lessors. Part asset via a lease would be preof the competition for husiness ferred to a corporate loan. involves negotiation over the value of the residual and the It was often useful too to have an "independent ownership presence," or a third party flexibility of rental payment owner/lessor not directly con-nected (in this case) with the arrangemeots. British lessors for the most part bave proved far more flexible financiers than oil industry. This frequently had defensive political connotaconventional baokers. tions, and allowed henefits Operating leasing is commonly beld to he an area of great

available to the arms-length owner to be barnessed for mutual henefit. companies in the UK are sub-sidiaries of the banks, and There were cases, too, where

generally write finance a shareholder was reluctant for a variety of reasons to increase that is, leases in which the asset is amortised over an share capital or loan finance, and preferred to lease. Credit restrictions could also he a factor here. "Additionally, the agreed term, the lessor taking no interest in the maintenance attraction of an equity interest specialise in a line of products in the asset and in the residual -computers, contaioers and motor vehicles are the prime examples—which are run under could provide easier fuoding through conventional than credit arrangements, and furthermore, would generate 100 per cent of the casb acquisition cost," Mr. Whitley said.

The residual in a lease refers term, and maintenance services are provided at agreed rates. to the secondhand value of the asset when the primary lease period comes to an end. In some countries the lessee has ao is currently extremely volatile, chiefly as a result of IBM's development of cheaper and more powerful machines, and sometimes for a nominal sum if the lessor has amortised the asset over the primary term. In the expectation of even more startling new announcements. the UK this is oot permissible if Computer users are reluctant to the lessor bas taken tax allowances on the asset, hut tie themselves down to long lease terms. Meanwhile, residual normally 95 per cent of the values and consequently rental value of the asset-sometimes ratês have dwiedled too. Attempts at insuring residual eveo 99 per cent-is returnable to the lessee as a "rebate of values have run on to very rentals.

source of medium-term finance

for industry, leasing rates

having proved remarkahly steady throughout the wild

fluctuations of the money

markets as a whole,

having

stony ground and, in fact, in the U.S. computer lease financing is at a near standstill fnr the moment because of residual An asset with a bigh residual uncertainties. Only operating value, such as an aircraft, can he an extremely attractive inlessors have the time and expertise to tackle these

prohlems. The ototor car sector has grabbed a large slice of the leasing cake in recent months. times causing controversy at hy eating up unexpectedly large portions of leasing company capacity, leading some companies on a search for further ines of finance. "The star of the vehicle leasing market has been car leasing-rising from £6m in 1976 to anything from £200m to £300m or £400m in 1978," says Mr. George Spokes, of TBOS Fleet-lease (Industrial Bank of Scotland). But he sees nothing untoward or undesirable in this growth. The £6m figure was incredibly small, hecause of certain mends a compreheosive note to cerning operating leases-and



One of the star performers is vehicle leasing-particularly motor cars

government controls which the balance-sheets underlining if operating leases can be formed barriers to husiness." If you assume that 60 per, under cent of all new cars are for methods of accounting business use, then the business car market is currently worth £4.9bn, says Mr. Spokes. So treatment of investment grants £200m represents only 6.7 per which are non-taxable-the noncent and even £400m is not an excessive figure, he says. He value of a grant sees 1980 as being a year of of 52 per cent peak interest, with 70 per cent of all cars, about 1.2m, being company fleet cars.

The area where dissatisfaction still prevails in the leasing industry is the accounting side. The biggest question concerns whether or not assets should be capitalised in the lessees' accouots-the lessee may not legally own the asset but he is April this year is the likely to all intents and purposes date. In the U.S. Federal liable financially. The Equip Accounting Standard No. 13 ment Leasing Association, requires the capitalising, of fearful for the legal rights of leases in lessees' ownership, strongly recom- except in cases effectively con-

the liabilities involved. Also consideration . are for leases to recognise profits at appropriate times, and the taxable element increasing the. value of a grant by a book entry

Research study for a basic. accounting standard was completed in March, 1974, and a sub-committee of the Accounting Standards Committee was formed in February, 1975; to develop exposure drafts. Consideration by the committee was put off during 1977. and 1978, and the latest news is that accounts,

off balance sheet treated then that is considered an advantage hy the industry.

For corporations looking for finance, leasing continues to-offer a strong and flexible option, and there appears to be no reason why 1979 should not be another record year. The item of greatest influence will be the setting of accounting guidelines-and if the demand ing procedures of Federal Accounting Standard No. 13 are emulated in the UK, it is at least comforting to note, in the words of Mr. William Montgomery, president of Chase Manhattan Leasing Corporation, New York: "The standard has now been in effect for two calendar years and the leasing industry seems to be unaffected by the change."

> **Robert Hawkins** Editor, Leasing Digest

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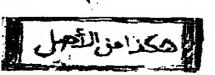
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SLOWLY BUT surely factoring bad debts. Now they are is establishing itself as a recog- worried if had debts exceed nised financial service for Britisb industry. True, there are still chief executives of True, there turnover. many small companies unaware of what a factor does and a few who now appreciate the facility but reckon it to be too expensive or too intrusive to nse. But over a thousand, mainly small, businesses are attached to one of the balf dozen leading factors in the UK.

For the uninitiated, or the uncertain, the hasic services of a factor are three. In effect a factor becomes the accounts department of its client company, assuming responsibility for its financial well-heing, and leaving the company free to concentrate on producing goods or supplying a service. It "buys" the debts of its client, and chases up its customers to make sure that they pay. But it does more than this administrative task. As soon

as the factor receives the invoices it forwards to the client up to S0 per cent of the face value of the dehts, passing on the remainder after a fixed period. So a company using a factor is not only assured of gettiog its mooey; it also receives it more than promptly. In addition to handling the accounts and providing instant money a factor usually guaran-tees its clieot against had debts. These three services are charged separately-a fee of between 1 and 3 per cent of turnover for the administrative and insurance

facility, and an extra charge of about 2-3 per ceot above hase rate for the use of the cash, A clicht does not have to take all three services, and ooe leading factor. Alex Lawrie, does not offer the credit insurance side at all. It does not fied this a disadvantage; indeed it factored £129m debts in its last financial year, a rise of 26 per cent, and saw its profits increase hy 44 per ceot to £1m. The point is that If a factor

ahly because in the early years. around a decade ago, factors lost

a great deal of money through

more than 0.1 per cent of their A factor must itself he finan-

cially solid and it is not surprising that the industry has become dominated by the major hanks. Lloyd (and Scottish) controls three - International Factors with a turnover approaching the £200m mark: Alex Lawrie, which as well as not offering insurance tends to concentrate on smaller

clients; and Independent Factors which was bought last Jannary from the Bank of America. National Westminster owns the other leading factor, Credit Factoring; the Midland Bank has Griffin; and Barclays is building up Barclays Factoring, and has just merged its factoring and invoice discounting services into one company and established it at Basingstoke. It plans a turn-over of £100m in the currect .year

The hanks have other advantages in offering factoriog as a financial service apart from their casb resources. They have well-developed computer They systems which can handle comfortably the intricacies of acting as an accounts department for perhaps huodreds of small companies and they also are in an ideal position to promote factoring among their corporate customers. Bank managers customers. Bank managers could well push likely com-could towards the bank's panies toward factoring arm.

Potential

But some businessmeo dislike heing so financially involved with their banks. They could he interested in H and H Factora, which is part of the Walter E. Heller group, or Arbuthoot, which also cooceo-trates on working for Smaller trates on working for smaller companies. And although there might be a hias among the blg hanks towards factoring their own customers, the competition

for good prospects means there has doubts about a customer of is no rigid pattern. Much more a client it declines to service the important is the type of busi-business or only covers it to a ness and the growth potential certain limit. Oce criticism of of the company looking for a factors is that they only guaran-factor. This is not a service for tee safe accounts. This is proh- a company in trouble and more companies are turned down by ing the same aim as their client factors thao are accepted. There used to be a concentra-

tion among the factors for work- to have a permanent relation Ing in a few old-established ship with companies, ideally manufacturing industries - tex- they take them on at an early tiles and engineering in partistage in their progress and look cular. Now factors are more after the financial side while adventurous and will work for turnover and management skills service companies too. The main consideration is the mature. Eventually most com panies will want to establish quality of the management and their own accounts department the probability of expansion; and the factor will gracefully factors dislike lame ducks withdraw. intensely. On average companies heing factored tend to have Exporting turnovers approaching fim. a year, although the specialist factors will look at concerns

One sector where a factor can be of great help is export ing. All the main factors have with turnovers nearer £300,000, and in recent years quite large companies with sales in excess international links, either because their banks trade worldof flom like the convenience of the Factors Chain Inter-national. This gives them contacts with factors in all the main trading nations and in practice it means that a comof factoring. Sometimes a really substantial concern will use a factor oo part of its husiness -for instance, a division operating in an area outside the main interests of the company, or in. pany can export as easily and as safely as selling inside the UK. There are no currency The problems with a factor are first the cost, and secondly prohlems: no worries about the the intrusion. Factors tend to financial standing of customers;

no long delays in getting paid,

The factoring service is

good as the client makes it. It can pay for itself and more if effective use is made of the

ready cash—for getting dis-counts from suppliers for quick payment, or taking advantage

of seasonal offers. Above all it

companies time to concentrate

on what they are most akilled at, with no sudden financial crises. A company should always keep contact with in

factor and he aware of what it

is doing, and hefore entering into a relationship a company

should also visit more than of factor and preferably three of

four hecause there is still specialisation and the opport

tunity for competitive quotes: Wisely used a factor can be the

very great asset at a certain

stage in a company's develop

leaves the management of small

trading.

charge according to the work they are put to. If a client com. The factor assumes the whole pany has a few regular custo- burden, and the cost need not mers of good financial standing be any greater than domestic the charge will be low. But then, say the critics, the com-pany does not really need a factor. If the business is complicated with lots of small accounts among suspect customers and seasonal as well-inst in fact the complicated financial situation likely to cause an entrepreneur to pull his hair out

the export field.

-the factor is either unwilling to service it or else charges a very high fee Factors are also criticised for coming between a client and its customers, although in practice factors are scrupulous about not factors are scraphing south for putting too much pressure on for payment of debts without reference hack to the client. But obviously when there is a third party very involved in such delicate matters as advising whether to trade with certain outcomer putting coalit living customers, putting credit limits on them, and also collecting the dehts, a really good working

relationship between client and factor is essential Factors see themselves as well-intentioned advisers sharas an expanding and profitable business. They do not expect.

ment. The growth of the industry to a total turnover of ors. 1900m is the most obvious measure of the UK factors. success-together with then almost excessive profit figures Antony Thorncroft

Shareholders revolt at Volvo

BY WILLIAM DULLFORCE, Nordic Correspondent

promise to be the most workers Union stated. dramatic in Swedish business. The efforts of Mr. Pehr history since the collapse of the Kreuger match empire in the ing director, to solve the car and early 1930s. When Volve share truck manufacturer's long-term holders convena in Gothenburg capital heeds are thus threaten-on January 80 to veta on the lag to revive the old struggle sale of 40 per cent of their between capital and labour and rompany to Norway, we shall to bring to a head the pulitical know whether the decision of confrontation about union the Swedish Shareholdars' capital. Should SARF succeed fight the deal has developed in blocking the Norwegian deal land. The deal has developed in blocking the Norwegian deal isno. a full fecilit small, share it would certainly become a key fainders' revolt whathere the objective elaction in which ML. Olof inervised the objective elaction in the September general Whataver the objective elaction is the fairner of the service so is small in the service and energies to be valid be doubts and on-plainment. MI Hasking Gergils' easiness of Sweden's small and the deal Theirs was not shireholders, to whom most are easy therefore the objective political parties at least pay ip in the immediate context of the service as one of the pillars of holders convena in Gothenburg the immediate context of the Wolvo-Norway deal or in the the mixed economy which prevening political climate in Swedar so successfully practised Swedar, where user union in the 1950s and 1960s under pressure for the establishment Social-Democrat rule. Market by the unions and

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Financial Times Monday January 15 1979

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Rowsha

porting

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financed from company profits Fair return bas become a dominant onestion:

decision should "open the eyes of the whole people to the -funds

Changing

From Mr. P. Nash -

at Sir - The corrent interest in

pension scheme leaving service

nt suggested solutions in the

jobs

THE NEXT three weeks Volvo branch of the Metal, sentative appointed to the Volvo SKr 250 four years ago. The meeting. Gyllenbammar, Volvo's managcapital needs are thus threaten-ing to revive the old struggle out that the association has nothing tike the financial resources of the trade unions Union leaders retort that SARF has the support of major companies and it has even been suggested that in the Volvo case the association is being used as a stalking horse for "more powerful capital interests." Marcus Wallenberg, the leading figure in Swedish business for the past 40 years and the chairservice as one of the pillars of

In the particular context of

gnestion. In the particular context of The sale of 10 per cent of the Volvo-Norway deal many Sweden's largest commercial shareholders fear that the lo-enterprise to Norway is hidle, volvement of the Ndrwegian solubly linked with an indus. Government would forn. Volvo trial agreement between the into a public concern, whose two governments, which would priority would be to create jobs ensure long term deliveries of and maintain employment Norwegian Birth Sea, oil to rather than to provide a fair Sweden. Ndr Volvo agreement, return on shareholders' money. Volvo-Norway deal than the companies, close to Svenska Handelsbanken, whose former chairman, Dr. Tore Browaldh, is now the Volvo chairman. The SARF board's objections to Mr. Gyllenbammar's capital-raising deal are that Norway is Norwegian borrs Sex of the varier than to provide a fair Sweden. No Volvo agreement, return on shareholders money. no oll This was made clear by Four years ago SARF was on the Norwegian Labour Govern the point of dissolution but since-ment within hours of the SARF then it has experienced a anneuncement that it would remarkable revival, coinciding getting 40 per cent of Volvo far too cheaply, that Volvo's com-mitments to invest in Norway, create jobs there and pay dividends to the Norwegian an the Norwegian deal ... with the trade unions' push for holding company would have a "Union" spotsesment, have share bolding funds. It now has bready inset such terms as, out- 25,000 members and has been rageous." and scandalous, to able to obtain representation on describe. SARF suction, and the Boards of at least 10 Swedish deleterious effect on the company's cash flow and over a fiveyear span would also undermine the equity consolidation achieved by the SKr 750m new charged it with putting short- companies, including Electrolux. sbare capital from Norway. The price is debatable. The term profit motives before Uddeholm and the Skandia national interests. The SARF Insurance company. Its major feat was the collec-

tion of 12,000 proxies from rently values Volvo at somewhat necessity for some form of Volvo shareholders, covering 29 less than SKr 1.5bn with the Volvo voting rights), the The Volvo board has starled wage eatner, share holding per cent of the voting rights, share price hovering around Skaodia Insurance Company to collect provies on its owo funds " the chairman of the which evabled it to get a repress SKr 80 after plunging from (1.4 per cent) and none other account while the Volvo Irade

Letters to the Editor

board at the last annual general SARF argument is that, based on its profit performance, the

Mr. Haakan Gergils, who became chairman in 1977, is part truck and bus side of Volvo's operations is alone worth some owner of a small family clothing company from western Sweden. SKr 2bn and that the Volvo board is effectively giving away SARF members pay an annual subscription of SKr 75 (£8.70) free the car operations, which account for half the company's and Mr. Gergils likes to point tarnover.

To ram home the argument that Volvo's commitments to Norway would erode the advantages of the SKr 750m equity input, Mr. Sten Johnsson, the leader of SARF's analysis team, has put forward an alternative suggestion under which Volvo would raise SKr 400m in new capital on the Swedish market alone. Mr. Gerglis also points

out that Volvo holds property valued at SKr 12.5bn.

Mr. Johnsson figures that over man of Saab-Scania, the rival the five-year period to the end Swedish car and truck company with which Volvo tried unsucof 1984 the Norwegian deal. is likely to give Volvo a cash flow deficit of SKr 410m compared cessfolly to merge in 1977. It may be more than a coincidence that the investment companies with a gain of SKr 200m, if the instead compaoy raises associated with the "Wallenberg Bank"-Skandinaviska Enskilda SKr 400m in Sweden. The gap stems chiefly from the extra -are more aceptical about the cosis and investments in Norway and the largor dividend payment called for.

> His calculations also show that the Norwegian agreement would raise Volvo's equity ratio the (measured as equity plus all untaxed reserves as a propor-tion of total capital) by three percentage points in 1979 but wculd leave it with a decline of 0.6 per cent in 1984. In conat the meetine. trast, he expects the raising of SKr 400m within Sweden in 130,000 boost the ratio by only 0.8 per cent in 1979 hut to preserve that equity ratio until 1984.

The example used by Mr. Johnsson - SKr 400m new capital from the Swedish market - paraliels suggestions Stockholm Stock Exchange cur- from the Custos Investment Company (2.4 per cent of the advice. Volvo voting rights), the The Volvo board has starled

GENERAL

tion expected.

House of Commons returns after Christmas recess-Govern-

ment stalement oo strike situa-

Ministry of Agriculture pub-

lishes annual Review White

Paper on the state of British

tabled.

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Mr. Pebr Gytlenhammar, managing director of Volvo (left). and Mr. Haakan Gerglis, chairman of the Swedish Shareholders' Association.

than Dr. Wallenberg that Volvo need not look to Norway for new risk capital. But, it must unions are meeting this week to plan their counter action to SARF and are expected to seek be emphasised, no coocrete sugproxies from Volvo employees gestions on how this capital is holding company shares. The National Pensions Fund to he raised have so far been.

holds 5.6 per cent of the voting At the Volvo sharebolders' rights and its Board has agreed niceting on January 30, 33.4 per cent of the voting rigots will be that 60 per cent of its votes should be used by its trade enough to defeat the sale to union members with the manag-Norway, because a two-thirds majority is required to change ing director voting the other 40 per cent. The union memthe company's articles to fit the bers have already said they will new organisation. At the last vote for Volvo's Norwegian deal. aonual general meeting SARF The managing director has held provies for 29 per cent of the total voling rights and 33.7 per cent of those represented voiced reservations privately but will vote "yes" in line with his board's instructions.

It is clear that SARF will SARF's letter to Volvu's have to collect more proxies sbareholders advising authorising it to vote against against the Norwegian deal is the Norwegian deal than the being accummanied by proxy 12.000 it held at the last annual forms, by which shareholders general meeting. But this is by can instruct SARF to vote for no means impossible. A sum-(or against) the Volvo Board's mary in the Stockholm daily Dagens Nyheter last Wednesproposal. Those who gave SARF their proxies for the last annual day, based on known commitmeeting can thus ignore SARF's ments and the latest indications of voting latentions, gives the

bles

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apponents of the Norweging deal 33 per cent of the voting

rights with 13 per cent still of the agreement with Norway undecided.

'But both SARF and the sbarebolders will be subjected to a full-scale political campaign in favour of the Norwegian agreement over the next 15 days. And the institutional investors which have already expressed doubts about the agreement may wetl change their minds, when the unions use SARF's stand to justify their demand for worker share-holding funds.

The Liberal minority Govern-ment'a reaction has been cautious. The Printe Minister. Mr. Olaf Ullsten, acknowledged the shareholders' right to vote down the Norwegian agreement but relterated that the Government considered it both good for Sweden and for Vnlvo.

No sabotage

Mr. Gergils has se far met charges that his association is sabotaging agreements safe-guarding Sweden's future oil suppliea and offering necessary holders. Volvo's shareholders against them. could not be asked to pay for vote against the Volvo-Norway deal need not undermine Sweden's oil agreement with Norway is disingeneous in view of the Norwegian Government'a

attitude. The Volvo Board is clearly although Mr. Gyllenhammar has are still in his favour, pointing out that Volvo, has 180,000 shareholders while SARF totals only 25,000 members.

future lenancy of the managing industrial co-operation with oil- director's seat but the associa rich Norway by the argument tion's leaders and sceptical that responsibility for agree shareholders will need strong ments negotiated by govern nerves over the next 15 days ments cannot be tbrust on an if they are to withstand we organisation representing share- pressure that will be mounted It would also he easier for an industrial co-oparation them, if someone could come acreement between two un with a realistic and concrete countries. His remark that a alternative to Volvo's capital needs. This would seens to be the task of the bigger Volvo shareholders, who have as yet onty monted the possibility. In retrospect it is hard to

was theoretical and misleading,

he argues. The agreement, moreover, was not just a matter

of arithmetic but a stratcgy for the future. It offered appor-

tunities for product develop-ment which were unloue in

their scope and gave Volvo the

chance to come up with the

products it would need in the

next drcade, SARF had undervalued the

importance of the oil-conces-sions Volvo would obtain in the

Norwegian North Sea under the agreement. These gave Volvo entry to nor of the most exper-

sive incustrial branches and. Mr. Gyllenhammar hinted, if Volvo played its cards well, it

on the Norwegian Continental

of the larger sbareholders had yet taken a definite stand against the Norwegian agree-ment. SARF has undoubtedly put Mr. Gyllenhammar's imag-

inative move into jeopardy and

even raised questions about his

He also pointed out that none

could.

Shelf.

vin further concessions

MEN

avoid the conclusion that the The Volvo Board is clearly merger hetween Volvo and shaken by the SARF stand, Saab, which aborted in 1977. would have been a simpler and reacted publicly with his usual more nbvious solution to the aplomb. He believes the odds problems of Sweden's car industry. It would also have involved less political dynamite than a shareholders' against Volvo's Norwegian The SARF analysts' criticism agreement would contain,

from the Expenditure Com-mittee for 1966-77, aod 12th Report, 1977-78, on the Civil

OFFICIAL STATISTICS Balance of payments current account and overseas trade Palestine National Council figures for December, Provisional retail sales figures for December.

Fina' dividends: Mergitt Hold-ings, Norfolk Capital Group, Great Northern Investmente, Jitra Rubber, Interim dividends; Perform Concern Manual Christian Restmor Groop, Howard Shutter-ing, Rasimal Properties, Highgate Ontical and Industrial.

House of Commons: Motion to COMPANY MESTINGS take notice of the 11th Report See Financial Diary on See Floancial Diary on Page 27.

queues, petrol queues, food buy-ing panies, holiday travel delays, dangerous, icy, ungritted roads, intimidatory . pickets drawing other non-involved workers into a striking union's dispute . The list is very long indeed.

Noticeably there is a selffights has stimulated a number fighteous and self-pitying tone days when unions stood up for problem of such rights varying the pilifully oppressed are gone. twhich for short service leavers a working class, inferiority and be nothing) through to complex any more. They have power. tenefits based on hypothetical power.

that any solution will satisfy and destructively.

ciples and desires, and choose strike, but must give ten days between them. Mine are irrele- notice. It would seem reasonable in vapt unless they bappen to

This is a euphemism for Dr.

these circumstances-but no coincide with his. Governments. other-that strikers' families not being individuala, do not should be entitled to social have principles, they have aims security benefits and trade and policles which are likely to unions should be protected from be far more volatile than the claims by third parties. priociples of private persons. David C. Morris.

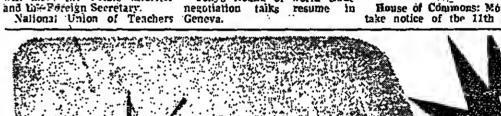
Furthermore, in a situation 21 Soho Square. W.1. where public sector pay is below

that of the private sector. I can-Bringing down not see that Mr. Imrie is likely to make much of a sacrifice in

Quibbles aside, however, it

benefits based on hypothetical pensionable they also have power of stop pay if be resigns. Other factors inflation proofed pensionable the advance of technology, pro-barfnings many years after the gress in our country. Add they course; much depends on his from the President Royol Institute of British Architects age.

Sir .- Mr. Marcus Binney



Today's Events publish details of pay claim. Europeao Parliament assen South Asian and Third World Service. trade Ministers meet in Colombo OFFICI Strasbourg (uolli for three days to prepare for UNCTAD conference in Manila.

January 19). EEC Foreign Affairs Council meeling in Brussels. Congress reconvenes

farming. Mr. Tom Keating appears at Old Bailey accused of coospiracy and deception concern-International group of trade ing Old Master reproductions. Mr. Felipe Gonzalez, first unions (ORIT) plan boycott of goods moving to and from Chile. cecretary of the opposition Spanish Workers' Party, arrives in Loodon for three-day visit, UN General Assembly opeos for 10 days to clear business unresolved at Christmas.

meet the Prime Mioister negotiation talks resume in



convenes in Damascus, Maltese Governmeot presents, COMPANY RESULTS budget to Parliameot.

Sir Kenneth Cork, Lord Mayor of London, attends Gerdeners' Company Dinoer, Mansion House.

PARLIAMENTARY BUSINESS



that -commercial commonsense should prevail in the debate.

Anything is possible if some. Anyming is possible in some, need to talk about much rights, one is prepared to pay for it, they have plenty there already, but there is a clear distinction. Unloss now act against society between 'the ebility of an and society has feither protec-employer in the private sector tion against them nor the to set aside part of his profits capacity to regulate them ration-and that of the public sector ally within society. where the taxpayer foots the

Whatever the conclusion of the Occupational Pension Board when it reports on this matter. following points need ing of their own exceed should put a value on their pension rights together with a value on their new and old salaries and renditions as part of the per-sonal equation in deciding whether or not to join a new employer. It is inequitable to espect a commercial employer to underwrite future unknown earnings increases particularly when many major employers already provide leaving service henefits in excess of minimum statutory requirements. also unfair to remaining scheme members if such additional costs are carried by the pension fund. If the costs of leaving service benefits increase then we must expect a downward trend in scheme benefit structures. For example, sixtieths final carnings schemes may become eightieths final carnings schemes or final exmings schemes generally may revert to average earnings type

arrangements. Commercial companies are réstricted by what they can afford to spead on pensions out of current profits and an increase in leaving service benefits will logically lead to a comparable reduction elsewhere Philip Nash,

3 Birch Crescent, Aylesford, Maidstone: Kent.

Bullying habit of unions

From the Managing Director, Tek Translation and International Print

Sir.-I do regret that your leader article on trade unionmore to say and couldn't have reasonably so, to provide s more to say and couldn't speak tions daily in your columns. in a more forthright manner. Bernard Keigher. It is unquestionably clear. today that anion power is too great. And that there is no authority in this land of ours which is able to exert effective control of it.

Everyone knows the reasons for unions. What one must conrealizate on is the bully tactics. If the unions which are so revalent today and which, as n your leader article, are being rificised so nervously.

The point surely is that we must have some way of dealing with union power. There's no need to talk about mion rights,

> real stupidity of this war is that the employees and the cus tomers are mostly the same Strikes are not infrequently : people wearing different oisabout money. And contrary to your leader article it is in that guises so effectively that they are: incapable of recognising themselves. And when these area that strikers could be discouraged by removing the present support given to strikers families. Union power sutking employees defend their is also possessed of union wealth these days and unlons should

> standard of living so staunchly (though misguidedly) they should remember that public sector employees provide serstand on their own feet in times when they think that they must vices which are part of that standard, for which they should strike because no doubt there are times when they must. But expect to pay at a rate coulva-lent to that which they claim for they could be encouraged to themselves. have a more thoughtful and a more resourceful attitude to "Fiss M. Gough 2 Cross Cotteges, strikes (e.g., negotiate more skilfully) if they didn't get Stogursey. Bridgwoler, financial support or subsidies to strike.

> Furthermore, in an attempt Monopoly of to control union power there should be fines against unions who bring strikes which are judged to be unreasonable. This power judgment could surely be made From Mr. E. Crayfourd by a jointly appointed body specifically designed to act and to act quickly in respect of all sittlive given certain conditions. Sir, - Should not the Trans-port and General Workers' Union action at the present

> > Programming

Over the years Parliament has

negotiations

time be referred to the Monopo-It would furthermore hegin to establish a structure of control lies Commission? and orderliness about the union E. L. Crayfourd. Tanglewood, Back Lane, Grindleton, Clitheroe, Loncs, power/strike situation. At the moment strikes bit like a disease and there is neither adequate cure nor adequate warning nor adequate protection in fact this bullying habit of unions to strike when they will most hurt the people of Britain, men, women and children alike—is perhaps the post unsignily, nasty and cowardly development of union From Mr. D. Marris. Sir in a civilised industrial society one would not expect frade unions to strike first and practice since the beginning of argue after, it is a far cry from the movement. The country has to find an answer to it and I the responsible free collective bargaining which union leaders believe that a newspaper has a were promising a few months significant responsibility in attempting to provide answers and that your own newspaper is ago. given trade unions legal rights to assist them in their work, but today union leaders are failing in this respect. At least you could express positive attitudes towards problems, even if taking advantage of their posi-tion and the public are suffer-ing. It is Parliament's primary you find it difficult. quite reasonably so, to provide solu-

Bernard Keigher. Tex Translation and International Print. 11. Uxbridge Road, W.12.

The strike weapon

From Miss M. Gough Sir Mr. Sutton Lianuary 8)

Sir, Mr. Sutton Lianuary 8) independent body; and if a may have confused biuself but majority of over 30 per cept It is wrong for unions to make not, I bope, your readers. Only vote in favour of a strike then the public their victim. Bread Mr. Imrie can define his prin- the union may call an official 66, Portlond Place, WI

ecember 2) raises seems to me that the civil war of points about the Lloyd's to which Mr. Sutton refers, development proposals. Some which is at the moment in full of them are clearly not for me force, is between customers and but on others and in my caoaemployees; employers do not city as president of the Royal mind putting up prices and pay Institute of British Architects If their customers will pay. The I am qualified to comment.

In my opinion Lloyd's has demonstrated the highest order of responsibility and achitec tural patronaga in its approach to the problems on this sensi-tive site and in the procedure adopted for choosing the archi Would that other tect important clients took the same trouble in terms of time and money, not only in their own interests but in the interests of architectural quality, present and future, with which Mr. Binney is rightly concerned.

Having been asked by Lloyd's to assist in the briefing and selection procedure I can assure Mr. Binney that the instructions tn . the six architectural firm international repute who 01 were commissioned to react to the problem left entirely open question whether or not the old building should be retained. None considered retention a practicable way of meeting the requirements. I can also assure Mr. Binney that in the search-ing appraisal of the various submissions the reactions of the architects to the City environment were a central con sideration_

The intrinsic merit of Lloyd's old building is open to debate but I doubt if many would nuarrel with the brief descrip "Save the City"--"dull of their kind conventional commercial classical." That is not to say that demolition should be contemplated lightheartealy, nor has it been Furthermore, the quality of the replacement is of the greatest incortance. Lloyd's is quite clear about this and has demonstrated an acceptance of responsibility by the trouble it has taken to find architects of flair and imagination. I am

confident that a major new City building of real distinction can result. As an evolving- place the City can well do with a few more such buildings.

That is the fundamental point I wish to make. As to some responsibility to protect the public especially in present cir-cumstances. Without any proof Mr. Binney's other comments on the way in which additional posals from the TUC, perhaps space requirements might he a measure to "programme" negotiations abould oc conmet-based on an erroneous figure of 7,000 sq ft, the potensidered, such as: Four week's tial effect of data processiog. negotiating period including at and the real character and funcicast 20 hours " contact ", time: tion of the underwriting room if no agreement then, two weeks -I would only say that he must compulsory conciliation of aroltration. if no agreement then, do a lot more homework before three weeks for a compusary he can seriously challenge the postal ballot conducted by an validity of the project on such grounds.

Gordon Graham.

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UK COMPANY NEWS

Good second half boosts **Associated Sprayers**

-A SECOND-HALF jump in tax-able profits from £67.102 to £295.492 at Associated Sprayers hoosted the figure for the full year ended August 31, 1978, from £139.102 to a record £387,492—a rise of 185 per ceot. Sales increased to £6.72m against a previous £8.06m. Mr. H. E. Newton-Mason, the

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Companies and Markets

chairman, says the balance sheet has heen greatly strengthened, and the abort-term debt climinated.

Earnings per 10p sbare are well up at 5.07p (1.78p) and the directors propose a dividend, payable nn March 1, of 2p net per share, the first distribution since a 1.47p final for 1974, Also nroposed ia a one-for-five scrip

Tradinn profit 455,784	976-77
Profit before tax 397,492 1	E 161,645 237 673 98 571 139,102 74 330 64,772

• comment

Associated Sprayers has romped home with nearly trebled pre-tax profils. True the second half henefited from the upturn in consumer spending on both its gardening and household gnods activities (husiness is split roughly 50-50). But the chaoge of management style following the appointment of Mr. Beney a year ago had also made an important difference. The loss-making EPIC husiness has been sold off, the shower cubicles and electrical activities have been run down and other product lines cut back. Much tighter financial control bas been implemented and a comhination of reducing stock and pushing creditors and dehtors In the company's favour bas produced a £1.3m turn round in liquidity to a cash position of £0,5m

Associated has the hallmarks of a company moving into another era and this year should produce further growth. The shares rose 5p to 58p nn £113.000 Friday ahead of the results where the p/e is 11. The return to the dividend list is a 5.3 per cent yield and though the shares are already discouotiog much of the growth prospects they could be worth watching. of £2,800.

FT Share Service

The following security has been added to the Share Information Service appearing in the Financial Times. Kanch Services Inc. (Section: Overseas-New York).

shares made at 28p per share. All the remaining new BOARD MEETINGS BUARD MELLINGS The following companies have neilfied dates of Boerd meetings to the Stock Exchange. Such meetings are uvely held for the purpose of considering dividends. Official indice-tione are not evillable set to whether dividends are interime or finals, and the sub-divisione shown balow are based mainly on last year's timetable. TODAY Interime: Highgats Insticel and Indust-risil, Howard Shuttering, Regional Pro-pertise. Restmard. Finals: Great Northern Investment Trust, Jitre Rubber Planatione, Meggitt Holdings, Norfolk Capital. Enterime: Tent of the states Interime: State of the states Interime: Finals States ordinary sbares which were not taken up hy sbarebolders bave been aold at a premium, and the net proceeds will be distributed pro rata to the original allottees, in accordance with the terms of the offer document. Riviogton Reed's rights issue

of 1.5m Convertible Redeemable Preference sharea has been

Ametil Analin Trievision Blundall-Permoulaze

Machimum ni Scotland Spencer Clark Metal .

Avenue

Close

taken up to the extent or 1,298,779 shares (86.6 per cent). Interim-

Customagic losses rise to £61,000 PRE-TAX losses of Customagle Manufacturing rose from \$15,806 tn 161.131 in the half year to October 31, 1975, no furnover

down frem f1.91m to f1.58m. At the end of last year the pre-tax losses of the company. which became a subsidiary of looloya Investments in July

Upsurge for 1975, werc £189,000. The before tax figure was after exceptional expenditure of f24.S18 (nil). There is again no

tax. After extraordinary debits of £55,725 (nill the net loss jumos from £15,806 to £119,856. The figures are after crediting a ten-Pre-tax profit of Areooe Clase subsidy porary ecoployment rose from £172,263 to £258,362 more than halved from £156,000 for the half year ended Septem-her 30, 1978, on turnover well up from £562,582 to £446,143.

to £61.000. At the end of last year share-holders were told that moving The directors say they are to Derhy Street, Cheethani, Man-chester, would result in considersatisfied with the progress of the company and expect results for the full year to show a further able savings, and the closure of some 96 shops since May 1977 improvement-pre-tax profit for the 1977/78 year was £359.000. would reduce selling costs. The chairman then said further First half turnover included closures would take place during the current year in accordance

rents receivable during the period of £325,668 (£262.552), with the policy of concen-trating sales in major retail out-Kennings

Estates profit fall The directors anticipate an

Lower profits are reported by Kennings Estates, subsidiary of Kenning Motor Group, for the year to September 30, 1978. The

4.47. was 10.04p. The company's shares are traded on The Over-the-Counter

improve.

expect the previously forecast improvement in the secood half.

However, an increased number

of employees and higher turn-over indicates improved produc-

tivity which the Board believes

will "stend the company in good slead" when trading conditions

The net interim dividend is

January, 1979

dollar.



Mr. f. M. Abrams, chairman of the Restmor Group, at the Hackbridge factory with the new de laxe reclining pushchair being produced exclusively for Mothercare. Restmor's interim figores are expected today.

George Blair slumps and warns on year

Despite 20 increase in turn- Market made by M. J. H. over from £4.69m to £5.15m in Nightingale and Co. the 26 weeks to September 30, 1978, pre-tax profits of George Blair and Co., engineering and steelfounding, fell sharply from £507,000 to £221,000.

at

Belhaven repaying Mr. 1. L. Blair, chairman, states that prices have heen adversely

£550,000 affected by the highly com-Belhaven Brewery Groop is repetitive conditions which now paying immediately £550,000 nf prevail in the steel foundry medium/long term loans, carryindustry throughout the world ing interest at approximately tand by the weakening of the per cent per annum, as to £425,000 to the Commoowealth Trading conditions contioue to Development Finance Company. be more difficult than previously anticloated and there is no and £125,000 to the I.C.F.C. These loans are being repaid indication that these will improve in the near future. Shareholders are warned not to with surplus cash generated from the current high

Investors

cash flow of the group.

Capital Trust

Gross revenue of Investors Canital Trust increased from \$3.27m to \$3.65m to the year ended November 30, 1978, and nct revenue available for ordinary shares was higher at frisi year's total payment £1 39m. compared with £1,12m previously.

Earnings per share are showo at 2200. against 1.81p. and the final dividend is 1.3p making a 2p total for the year. against

1.65p in 1976-77. Net asset value per 25p ordinary share is 97.7p (95.4p).

NEW LIFE BUSINESS Phoenix premiums jump by 32%-writes £1.7bn

worldwide life business of the Phoenix Assurance group rose

£13.9m. In the UK, new annual premiums improved by 42 per-cent from £5.5m to £12.1m. The company recorded good sales of both executive and self-empinyed pension contracts with annual premiums 20 par cent higher. But sales of group life and indi-vidual term contracts. In which vidual term contracts, in which Phoenix is a market leader, were extremely huoyant. Group dife premiums were 74 per rent higher on the year and individual term assurances 40 per cent premiums hy 55 per cent from f1.39m to £2.18m. Amounts invested in immediate annuities. higher

Single premium business in in which the company had been, a market leader, improved 25 per cent from £2.15m to £2.68m. the UK amounted to fl4m, of which 95 per cent was transacted which 95 per cent was transacted per cent from results to 2200m. Hended to shape an per cent build be able to be the shape of the subsidiary. The company expanded its slows business, a special bonus property Growth Assurance ordinary individual life and annuity will be added amount. Sales of tloked bonds proved to endowment annual gramium ing to 25 per cent of attaching be axtremely good with invest- husiness by nearly 70 per cent houses and the company's unique. property and agricultural funds, pension contract premiums hy Record new business figures. 40 per cent to £1.1m, but the for 1978 have been announced most buoyant factor last year by Sun Life Pensions Manage- was company and executive pen-meot, a member of the Sun Life: sions-hoosted by the introduc-Assurance Group. Total new tion of the new state pension maximum of 26 years. For the premium income rose from scheme these recorded premiums 69th and subsequent series, the £9.8m in 1977 to £20.2m last of £2.7m, more than double the rate is 0.5 per cent of the simplear, of which £15.9m came from level of the previous year. The assured on each complete year

shares (6.33 per cent).

trustees.

transfers of schemes previously growth in single premium busi-disured with Sun Life. The num- ness came mostly from pensions. reviously growth in single premium busiher of pension scheme clients Commenting on the figures, using the fund for investment Mr. Roy Avery, the compeny's Phoenix Assnrance group rose her of pension enternet and the value of the fund for investment Mr. Roy Avery, the company's reaction of the fund for investment Mr. Roy Avery, the company's reaction of the fund for investment and the value new business manager, says that the fund jumped from £34m last year's gains has been made from £15m to £21m. New sums assured to £60m at the and of the year. In all classes of business and amounted to £1.7bm compared Mr. John Webster; general exceed the targets set for replaction of the fund for manager of Sun Life Pensions, ing within a reasonable period anouties totalled £17.1m against reports that the portfolio at the the husiness lost by the transfer end of 1978 was split. 49 per from the Federated Super-

equities, 1 per cent property and sities. These new business 19 per cent cash. The managers, figures reflect particularly, well. in view of the uncertainty of an the branch staff of the com-the markat, had allowed the pany who deal personally, with hought of the fund to build clients. pany who deal personally with clients, since London Life does the markat, had allowed the pany who deal personally with kiquidity of the fund to huild clients, since London Life does up towards the end of the year. not pay commission Substantial new business gains London Life, which introduced Substantial new business gains a terminal tane, which introducten in 1978 is reported by London a terminal bonus system last Life Association, new annual year, has announced the rates premiums rising by 78 per cent applicable to claims arising up from £2.88m to £5.12m and single to the period ending June 30, premiums hy 55 per cent from 1979. On the ordinary rever-

sionary bonua system, the rate is 35 per ceot of attaching bonuses up to a maximum pay ment of 47 per cant of the basic henefit. On the simple home pen-

On the company's unique Reduction of Ptenniums system, the terminal bonus for the 6th to 68th series is i per cent of the sum assured for each complete year from closure the maximum of 26 years. For the

SHARE STAKES

Paramhe-Mr. R. C. A. Shaw additional £20,000 ordinary shares to 1,021,025 reducing has acquired 200,000 ordinary shares hringign total to £35,750: holding from 17.06 per cent as shares (6.33 per cent). J. N. Uichnis (Vimtn)-Mr. J. 16.27 per cent of equity. London Brick Company Sr Ronald Stewart, a director, has exercised an option under the Nichols, director, has sold N.

Alpine Soft Urinks-Mr. K. E. Price, director, has acquired 4,000 ordinary sbares making total holding 18,000. 10.000 abares. Spillers-Mr. G. A. Whittaker. directnr, has purchased 10,000 ordinary abares. Paterson Zochnnis-Mr. B. Westera Board Mills-Royal opdon Mutual Insurance Spouders and Mr. G. A. Loupos, London Mutual Insurance Society now holds 238,500 shares both directors, have notified the company of following reduction and its pension fund a further io their non-beneficial interests -48.606 ordinary shares and 5.45 per cent. 26.394 "A" (noo-voting) ardinary.

Longton Transport (Boldings). Reduction arises because of their -A substantial shareholder. Industrials. Industrial and Commercial purchased resignation from the position of William Baird and Co .- Mr.

PUBLIC NOTICES

Finance Corporation and its and its and its and its associates, have reduced their bolding to 10,074,296 (84.2-per holding from 1,071,025 ordinary cent). CITY OF OSLO 51% Bonds of 1964 .

TRAVEL

Holders are reminded thet the final redemption of these bonds of 1964 Holders are reminded thet the final redemption of these bonds be stretted on 15th February, 1979 at the offices of 5. G. WARBUNG & CO. LTO. 30. Greaters fired London EC2P 2EB or at one of the paying elents nemed on the reverse of the bonds. Interest will cease to accrue on the bonds on and effer a February, 1979. S. G. WARBURG & CO. LTD. os Principal Paying Agent. 1.11.1

sbare option scheme. As a result 30,000 shares fully paid have been allotted at par for cash on January & Charles Clifford Industries Jove Investment Trust bid 50.000. together representing 80.000 ordinary shares (6.5 cent). Derritron

- Amalgamatel Holdings mas a further 35.00



FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1.000-£25.000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly Rales for deposits received not later than 19.1.79.

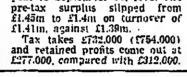
These securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

RIGHTS RESULTS Vorkshire Fine Woollen

Spinners anoounces that accept-ances have been received in respect of 513,086 20p ordinary shares (S6.99 per cent) of the recent rights issue of 589.760

iocreased dividend for the year, last year's heing 1.625p net.



sales of development properties £113.000 (pil) and interest receivable £7,475 tnil). Prefit was subject to a tax charge of £134.210 compared with £88,303 last time, and the attri-butable balance came out at £124,152 (£86,760)—last year there was an extraordinary credit



Banque de Développement Economique de Tunisie

Kuwaiti Dinars 7,000,000

8 per cent. Guaranteed Notes due 1985

Uncoeditionally and irrevocably guaranteed by

The Republic of Tunisia

Issue price 991 per cent.

· Kuwait Investment Company (S.A.K.)

Abu Dhabi Investment Company

Banque Nationale de Paris

Kredietbank S.A. Luxembourgeoise

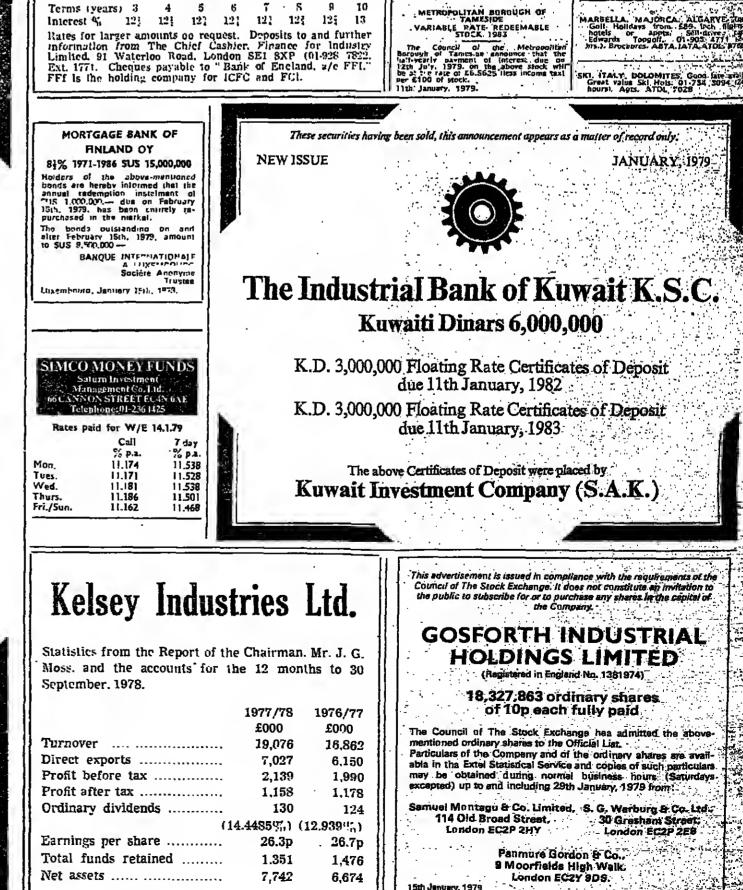
Algemene Bank Nederland N.V. (Bahrain Branch) Arab Finance Corporation S.A.L. Arab Investments for Asia (Kuwait) K.S.C. The Arab and Morgan Grenfell Finance Company Limited Al Saudi Banque B.A.I.I. (Middle East) Inc. Bank of America International Limited Bank of Bahrain and Kuwait B.S.C.-Kuwait Bayerische Vereinsbank International Société Anonyme Byblos Arab Finance Bank (Belgium) S.A. Financial Group of Kuwait K.S.C. The Gulf Bank K.S.C.

Arab African International Bank - Cairo

Citicorp International Bank Limited

Swiss Bank Corporation (Bahrain Branch)

Gulf Riyad Bank E.C. The Industrial Bank of Kuwait K.S.C. Kuwait Financial Centre S.A.K. Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Finance Company S.A.K. 'KIFCO' National Bank of Bahrain, Bahrain-The National Commercial Bank, Saudi Arabia Nederlandse Credietbank N.V. Rivad Bank Ltd. **UBAN-Arab Japanese Finance Limited** Union de Banques Arabes et Européennes -U.B.A.E.





Financial Times Monday January 15 1979

INTNL. COMPANIES and FINANCE UK PENDING DIVIDENDS and NEW ISSUES Companies. and Markets

MacMillan McGraw-Hill will decide directors oppose bid policy today on Amex bid divideods to he declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last ger." Preliminary profit figures usually accompany final divideod from CPI

ls jum

SS

VANCOUVER - Directors of MacMillan Bloedel issued a statement opposing plans by Canadian Pacific Investments (CPI) to take over their com-

pany. CPI has announced plans for C\$28 a share offer for MacMillan Bloedel shares to obtain control. CPI is the largest MacMillan shareholder with a 13.4 per

cent intérest. The Macmillan Bloedel statement included a text of a board resolution saying that

"in the light of all the elreunstances now pertain-ing the company do oppose any further activity on the part of Canadian Pacific at this time or by any of its associates or affiliates to acquire any further common shares of the company."

A Canadian Pacific spokes man in Vancouver said that the formal takeover offer had still not been mailed to shareholders ... and the second

Reuter

Japanese links in Oneensland smelter venture By Paul Cheeseright

FIVE JAPANESE group have agreed to join with Comalco and Kaiser Alumi-nium in the development of a new A\$ 500m (US\$ 575m) alcminium smelter af Gladstone in Queensland. The smelter will have two potlines and a design capacity

of 180.000 tonnes a year, Sir Donald Hibberd, the Comalco chairman, said.

Comalco will have a 30 per cent shareholding in the smelter, while Kaiser will hold 20 per cent. The Japanese groups involved are. Sumitomo Light Metal Indus-tries with 17 per cent. and Kobe Steel, Mitsubishi, "Zoshida Kogyo and Sumitomo Aliminium Smelting, each

BY STEWART FLEMING IN NEW YORK THE BOARD of McGraw-Hill, the U.S. publishing group, meets today to hammer out its policy towards the \$830m takeover bid

towards the sestim takeover and white American Express launched last Tuesday. The McGraw-Hill board will be without Mr. Roger H. Morley, president of American Express, who officially resigned says they found none. from McGraw-Hill last week. Mr. Morley's role in the American Express approach-along with his chairman Mr. James D. Robinson-has clearly incensed Mr. Harold J. McGraw, McGraw-Hill's shares rosc again on Friday to close at \$331 compared with the proposed \$34 a share cash offer from American

Express which has also asld il who is McGraw-Hill's chairman. is prepared to offer a mixture of rash and securitles. Mr. McGraw immediately described his company's reaction to the proposition as "negative" Such an offer might reduce and said be was personally very the patential lax liability for disappointed in the way McGraw-Hill shareholders wantdisappointed in the way American Express had handled ing to accept a formal offer when it is made.

American Express, for its part, has been at pains to scotch close to the proposed offer price Express.

Commonwealth Oll Refining group of Arab investors. Company (Corco), currently Commonwealth, one o

double at NK-Aahlen

NK-AAHLEN. THE Swedish report shows a loss before retailing groop, plunged further extraordinary items of SKr 111m

into the red during the financial (\$25.5m) on a turnover of

BY WILLIAM DUILLFORCE IN STOCKHOLM

BY OUR FINANCIAL STAFF

any suggestion that Mr. Morley teods to confirm reports that swculators are buying McGraw-Hill's sbarcs in anticipation of is in a privileged position as a result of his previous position. 9 bigher bid. American Express has said

Meanwhile, on Wall Street,

Corco acts over merger plan

THE FINANCIALLY troubled newed takeover attempt by a that it approved certain aspects

The potential for profit depends in part, however, oo the attitude the MrGraw-Hill board adopts at its meeting that its lowyers have been through Mr. Morley's files to determine if be had any McGraw-Hill insider information today. that should be disclosed but

Although the chairman, Mr. Harold McGraw, has made no secret of his desire that the company remaio independent, the bnard must decide whether it con realistically hope to fight nff American Express and whether this is io shareholders intercals. Alternatively, it could argue that the current offer is inadequate or it could seek a rival hidder.

There are, however, a limited number of companies who could afford the \$thn or more it might The rise in the share price take to outbid American

Oste · -Alexandera Discount. Jan. 22 Final 8.833 Akilad Textile Jan. 25 Final 3.980

Akinad Texcline ...Jen. 25 Final 3.980 Anglia Television...Jen. 17 Final 2.3033 "Associ. Peper Industriea...Jon. 19 Final 1.804 Associated Erosineering...Dac. 15 Final 3.42 "BAT Inda....Jan. 30 Int. 4.4 "Bank Lewni (UK)...Jan. 19 Final 4.684 Bath and Portland...Fab 15 Final 1.788 rtland...Feb 15 Final 1.798 *Bericton (S. and W.1., Jan. 19 Final 4.75 9irmid Qualcean Feb. 15 Finel 3.107 Britan Electric Traction...Jan. 19 (ni, 1.694 (Furnisure Feb Dolgsty Feb Navy Corpn. Jan. 24 (nl. 3.3 Docca Feb 9 (nl. 3.3 Dobentine Corpn. Fob. 16 Final 2.2 Jan 18 (nl. 11807 Inj. 2.2) Jan 18 Int 118075 Fob 7 Int 2.21 Photog Jan 18 Int 119075 *Oowty Fob 7 Int 2.21 Oraka and Scuil Fch 14 Fipal Nit *Fitch Loveli Jan 25 Int 1.2778 *Gasisters Jan 16 Final 2.0244 *Grand ___Mairop Jan 18 -Final 2.6473 Guinness Part Jan 26 Int. 4.25 Hembro Tat. Jan. 25 Int. 0.65

Mant last Announce Date HenlysJen. 17 Fin. 5.654 jost. Imperial Gro....fab 8 Final 3.41 InchcapeJan. 25 Inr. 5.0 Lloyda BenkFab. 19 Final 4.338 LonyhoJan. 30 Final 4.2212 year vision...Jen, 17 Final 2.3033 MFL Furnituro ntres ... Feb. 14 Int. 1.98 Jan. 17 Inj. 3.5 Notingham Menufactrg....Feb. 13 Finel 2.332 Prop. Security Inv. Trust...len. 15 Int. 0.75 *Rank Org.....len. 24 Finel 5.849 *SG9len. 15 Finel 2.754 Smith Inds...Nov. 6 Finel 4.2603 Stahox Inds...Nov. 8 Int. nil version...Jan. 17 int. 0.99 The a Cyle Jan. 12 Int. 245 Thoras Electrical. Jan. 12 Int. 245 Throgmorton Trual Jen. 25 Final 2,375 "Tridsni Television, Jan 16 Final 1 981 Trust Hn

The dates when some of the more important company dividend

statements may he expected in the next few weeks are given in the following table. Dates shown are those of last year's announcements,

except where the forthcoming board meetings (indicated thus") have been officially published. It should be emphasized that the

Trust Hinisas Forte, Fab 9 Final 5,9594 Tunnel Hidga Jan 13 Final 2,283 Unieri Real Prop. Tat., Fab 15 Int 1,25 Wieson Wason Finance Feb 17 Final 2875

* 90ard meeinga inlimaidd † Rigt Iasua aioce meda. ‡ Tax Ireç § Sci Iasua aioca mada Irom rasarves.

BASE LENDING RATES

A.B.N. Bank		
Associates Cap. Corp	American Express Bk. 124% A P Baok Ltd. 124%	 Hill Samuel
Baok of Cyorus 1214 Bank of N.S.W. 1215 Banque Belge Ltd. 1215 Banque du Rhone et de Samoel Montagu 1215 Barque du Rhone et de Samoel Montagu 1215 Barchars Baok 1215 Bremar Holdings Ltd. 1315 Bremar Holdings Ltd. 1315 Cansda Perm't Trust 1215 Consolidated Perm't Trust 1215 Charterhouse Japhet. 1215 Consolidated Credits. 1215 Consolidated Credits. 1215 Corinthian Securities 1215 Corona Lawrie 1215 First Nat. Fin. Corp. 14 First Nat. Fin. Corp. 14 First Nat. Sees. Ltd. 1215 Grindlays Beok 1215 Conduct Guaranty 1215 Candar Consolits on sume of tio.000 Brey Canadar Dr. 1245 Consolits on sume of tio.0	Associates Cap. Corp 121%	Indostrial Bk. of Scol. 1246 Keyser Ulimann 1246 Knowsley & Co. Ltd 1446
Banque du Rhone et de la Tamisc S.A. 12 % Barclays Baok	Back of Cyorus 1219, Bank of N.S.W 1219,	Edward Maosoo & Co. 134%
Bremar Holdings Ltd. 134% Bremar Holdings Ltd. 134% Brit. Bank of MId. East 124% Brown Shipley	Banque du Rhone et de la Tamise S.A 13 % Barclays Baok 121%	Samoel Montagu 12195
Brown Snipley124%Royel Bk. Csoada Tst. 124%Cansda Perm't Trust. 124%Schlesinger Limited124%Cedar Holdings124%Schlesinger Limited124%Charterhouse Japhet.124%Secority Trust Co. Ltd. 134%Choulartons124%Secority Trust Co. Ltd. 134%Choulartons124%Standard Cbartered124%Choulartons124%Trustee Savings Bank124%Consolidaled Credits124%Trustee Savings Bank124%Corinthian Securities124%Twentisth Century Bk. 134%Corinthian Securities121%Whiteaway Laidlew13%Cordit Lyonnais121%Williams & Glyn's124%The Cynrus Popular Bk. 124%Williams & Glyn's124%First Nat. Fin. Corp.14%"orkshire Baok124%First Nat. Fin. Corp.14%"orkshire Baok124%First Nat. Sees. Ltd.14%"orkshire boosits on sums of f10.000Grindlays Bsok124%Cold Boosits on sums of f10.000First Nat. Seok124%"orkshire boosits on sums of f10.000First Nat. Seok124%Trust cold boosits on sums of f10.000Grindlays Bsok124%Cold boosits on sums of f10.000First Cold boosits on sums of f10.00014%Cold boosits on sums of f10.000First Nat. Seok124%Cold boosits on sums of f10.000Grindlays Bsok124%Cold boosits on sums of f10.000First Nat. Seok124%Cold boosits on sums of f10.000First Nat. Seok <td>Bernett Christie Ltd. 131% Bremar Holdings Ltd. 131% Brit. Bank of Mld. East 121%</td> <td>P. S. Refson & Co 1210 Rossmingter</td>	Bernett Christie Ltd. 131% Bremar Holdings Ltd. 131% Brit. Bank of Mld. East 121%	P. S. Refson & Co 1210 Rossmingter
Charterhouse Japbet 1214 Choulartons	Canada Perm'i Trust . 124% Cayzer Ltd 124%	Royal Bk. Caoada Tst. 124% Schlesinger Limited 124% E. S. Schwab
Consolidated Credits 124% Co-operative Bank*124% Corinthian Securities .124% Credit Lyonnais	Charterhouse Japhet 1249 Choulartons	Standard Chartered 121%
Creat Lyonnais	Consolidated Credits 124% Co-operative Bank*124% Corinthian Securities . 123%	Trustee Savings Bank 121% Twentisth Century Bk. 131%
Eaglish Transcont 1215 First Nat. Fin. Corp 14 % First Nat. Sees. Lid 14 % Antony Gibbs	Duocan Lawrie	Whiteaway Laidlew 13 % Williams & Glyn's 121%
Antony Gibbs 1239, 1 7 may docoalts on sums of f10.000 Greyhound Guaranty . 1239, and under 10%, up to E25,000 Grindlays Beok	Engilsh Transcont 1255 First Nat. Fin. Corp 14 %	 Members of the Accepting Hpuses Committee, 7-day deposits 10%, 1-month
maness manon 124 § Oamand deposite 10%.	Antony Gibbs 124% Greyhound Guaranty . 124% Grindlays Beok 124%	† 7-May discosits on sums of £10,000 and under 10% up to £25,000 10%% and over £25,000 10%%. t Call deposits over £1,000 10%.
	APSS Manon 1214,	§ Oamand deposite 10%.

RECENT ISSUES

EQUITIES

21

1			
•		Stock	Price Price Olv. P. Olv. P. Orona P.E. Ratio
	p: = High Low	I	
۰i	AS0.50 F.P.I - 79 61	Ashton Mining 50c	72 +1 ! !
	AS125 F.P 106 97 165 F.P. 101 179 170	HarrisQueensw'y 20p;	07
4	29 F.P. 5/1 51 29	Kitchen Quean 10p,	2912 + 12 1.1.34 5.4 6.9 4.9
	F.P. 012 34 31 110 F.P. 17/1 155 116	M. Y. Dart Befd	51 645.7 1.9 9.6 12 4
	110 F.P. 17/1 135 118	Mill'ttsC's're&hps20p	129

FIXED INTEREST STOCKS

98 1979/79		· 2041 - 25년 + 07
20 3-0 8 1978/10 -4 58 20 High: Low 1 -4 58 20 High: Low 1 -5 F.P.; 10:2 103pi 103pi Assoc	Stock	음춘
 F.P. 25/1 100 8934 Colna 100p F.P. 28:12 1003 9 93p Findle 100p F.P. 6/1 110 109 Nawis 11 F.P. 22:12 99p 9719 Nawa 	ay 8% Cnv. Cum. Red. Prf	аор л. 85-85 119
£10 1/3 13re 15 Mio K Nil 1111 1apm 3cpm Riving	(en1 Water 8% Pref. 1984 910n Read 212% Cnv.Cum.) 50ps 1814% Pref	Rod.Prof. 15

" RIGHTS " OFFERS

nte	Price		Latesl Renunc, Date	1078.79	- 610ck	Cioning Prioes
۲IP	p:	22	•	High Low		52
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	17		15/18 96.1	1 2012 1912	Boulton (Wm.I.	aou
_	506	F.P.		198 107	Clifford (Chas	129
- 1	43	F.P. F.P.		53 47	Hoskina & Horton	51
- (210		15,12 1211	248 242	Lep Group.	
1	230	F.P.		520 299	Metal Box	316 .
1	10		51 96:1	10pm 11pm	Milbury. Suter Electrical Datd	16pm
	62 28	F.P.	18 12 15 1	76 67	Tern Consulate.	69
· •	1 28	F.P.	101 9/2	37 54	York Fine Wootlan	67 +2

Renuncration date usually last day for dealing free of stamp duty. b Figures based on prosperiue estimate. E Assumed dividend and yield. a Forecast divi-dend: cover based on previous year's samings. P Dividend and yield based on prospectus or other officiel estimates for 1979. C Gross. 7 Figures assumed. : Cover ellows for conversion of shares not now renking for dividend or ranking only for restricted dividende. TPlecrin price to public. of Pence unless other wiss indicated. I issued by tender. I Offered to holders of ordinery shares as a ''rights.'' ** Issued by way of capitalisation. §§ Reintroduced. \$¶ Issued to connection with reorganisation, meger or take over. if Infroduction.] Issued to former preference holders in Allotment lattors (or fully-psid). © Provisionel or partly-osid eligitant latters. * With warrents.

	CLIVE INVESTMENTS LIMITED 1 Roval Exchange Ave., Lnodoo EC3V 3LU, Tel.: 01-233 110 Index Gnide as st January 9, 1979 (Base 100 on 14.1.77) Clive Fixed Interest Capital
	G Index Limited 01-351 3466. Three month Copper 836.4-8-
29	 Lamont Road, London SW10 0HS. Lamont Road, London SW10 0HS. Tax-free trading on commodity futures. The commodity futures market for the smaller investor.
29	Lamont Road, London SW10 ORS. 1. Tax-free trading on commodity intures.

Companies' CES and Markets

きょうさい いうち

Sterling markets calm

BY COLIN MILLHAM

of s revised proposal from Arabian Seaoil Corporation. Commonwealth, one of the operating under the shelter of leading oil refiners in the U.S. the U.S. bankruptcy laws, has and owner of e \$1bn refinery responded cautiously to a re- complex in Puerto Rico, said which is led by Mr. Roger Tamraz. The new bid provides for an extra \$20m investment in common stock and changes in settlement terms with some directors **Dividend passed as losses** The U.S. company has auth-

orised a committee to negotiate definitive sgreement with Arebian Seaoil, whose initial bid made last year provided for its purchase through a subsidiary of \$400m of Commonwealth's sinck for cash, commoo stock and senior secured noles. The Arab concern would then merge Corco into this sub-sidiary, as well as iovest \$50m

year ended October 31. The pre-tax loss was almost doubled. With a loss of SKr 57m in the The Board proposes to pay no dividend for the second year running on the ordinary shares eriging from the merger of NK and to also the divident of NK in the new enterprise in exchange for convertible notes. As well as deliberating on the

Arab offer, the Corco hoard also spproved executive chaoges, the main one being the election of Mr. Howard Hardesty Jnr. as

chairman, president, and chief executive. CURRENCIES, MONEY and GOLD GOLD Sterling came under pressure On December 15 the pound Industries, and expectations of at the end of last week, as the fell to a low point of \$1.9740, a rail strike. foreign exchange market grew and closed at \$1.9800; Af that Problems concerning the more concerned about Britain's time the index stood at 63.2. Public Sector Borrowing Re-industrial problems. The pound little different from last Briday's quirement, and the future level fore the first time since value at mid-January is almost to the fore, but once again the attended for the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore, but once again the stars of the first time since value at mid-January is almost to the fore.

These securities having been sold, this announcement oppears as a matter of record only.

NEW ISSUE

January, 1979

TRAVEL	 December 22; and touched the same as mid-December, the financial markets appear to 1 \$1.9815 on Friday, before closs sentimient surrounding the curtis on the week. In fact the authorities are point in declaring a state of the trade-weighted index of probably relieved to find steriors as calculated by the ing so high at a time of such Sterling undoubtedly had bank of England, fell to 53.1 on worrying industrial unrest. The soft ondertone towards the Friday morning, but closed at. Bank of England may have inter-latter part of last week, but only on 2 verv easier than a week before in ous Friday. 	In Gold Coins, domestically \$230.258 \$255.256 10 Krugarrand	Industrial Ban	k of Finland Ltd
	Short-term interest rates also equally quick improvement h Special European show little, change in London the pound. Drawing Unit of from about a month ago, with Rights Account the three-month interhank rate THE DOLLAR SE	35 Eagles	(Suonien Teo	llistatspankki Oy)
	Shelling - 1 () () () () () () () () () (POT AND FORWARD	Kuwaiti Din	ars 6,000,000
	Amerilan schilling, 17,5630 18,3511 The One-month rate Was Canadat 84,15-84.25 84,15-84,19 (Shoian lene	de month p.a. Three months p.a. J03-0.05c pm 0.21 0.05-0.96c pm 0.35 J42-0.36c pm 2.37 1.31-1.26c pm 2.62 7-56 pm 2.71 20-186 pm 2.74 25-1.75grodis -3.15 3.25-3.75grodis -2.49 37-1.276 pm 6.16 3.67-3.57a pm 7.57		nteed Notes due 1989
	Finch franc	8-38e dis -6.43 60-130e dis -9.09 2-45c dis -6.36 100-120c dis -6.19 25-0.75i liveria -0.55 1.65-2.40tiredis -0.25 .50-1.10ore pm 2.75 2.09-1.50ore pm 1.47		evocably guaranteed by the
	Austria 13,60-13,66 13,621-13,62 7	30-1.10c pm 3.54 3.00-2.75c pm 2.83 30-1.10cm pm 3.23 3.45-3.25cr pm 3.73 75-1.65y pm 9.84 4.75-4.60y pm 3.40 6arc pm 5.55 18-16.50gr pm 4.87	Republic	of Finland
ait K.S.	THE POUND SPOT FORWARD AGAINST £ Austria 13.60-13.65 13.62-13.667 7 Switz 1.6787-1.6960 1.6815 1 Jan. 12 Sate Day's Close One months 2 p.s. Threa 3 p.a. OTHER MARKETS	.67-1.62c pm 11.27 4.89-4.64c pm 11.05 1 per Canadian S.	Issue price	100½ per cent.
Ũ	The spread and the second seco	\$ Note Rates	Kuwait Investmen	Company (SAK)
	Danish K 1 19.24 18.39 18.251 18.251 19.251	21-1025 Austria	Kansallis-Osake-Pankki	t Company (S.A.K.) Union Bank of Finland Ltd.
2 2 4 ^{2 4} 4	Nrwgn. K. 7 18:05-18:14 19:129-19:1563-5 are pin- are pin- strain 4.74 10-18 are pin- strain 5.75 Iran Risi- train 131.40-133.50 75. French Fr. 5:8 8.47-8.49 48-35 c.proj 6.02 11-18 c.proj 4.95 Kuwait Dinar (KD - 0.337-0.547 0.23 Swedish Kr 5:2 8.47-8.49 48-24 are pin 5:18 124.19 are pin 4.95 Luxembourg Frc. 355.584.6 39. Yan 5:18 5:19-3954 4.20-3.59 pm 12.46/1.35-11.20 ppm11.60 Mataysia Dollar 4.4223.4.4350 2.21 Austriasch 4.9 2.504-5.39 pm 7.905 56.64 s.57 39. Mataysia Dollar 4.4223.4.4350 2.21 Subia 2.706-7.72 2.712.27 pp. pin 7.305 18-32 New Zealand Dir 4.4223.4.4350 2.22 Subia 1.2.48 1.2.48 1.1.166 1.2.48 Saudi Arab, Rivai 0.54.64 3.51	Image: Work of the second se	Bank of H	elsinki Ltd.
1	Belgrum rate is for convertible Six month torward dollar 1.95-1.85c	55-9.1765 United States 19950-8.0050 170-0.8700 Yugoslevia 39.5-43.5 Irgantina is free rota.	Abu Dhabi Investment Company Algemene Bank Nederland N.V. (Bahrain Branch)	The Gulf Bank KSC., Kuwait Gulf Riyad Bank E.C.
1.K.	EXCHANGE CROSS RATES	Nation Line Canada Dellas Relator Frain	AMERICAN EXPRESS BANK	Hill Samuel & Co. Limited The Industrial Bank of Kuwail K.S.C.
	Poind Starling 1.1. 1.905 3,705 394.8 8.485 3.360 5.995 U.S. Dollar 0.601 1. 1.886 197.8 4.851 1.683 9.002	1672. 2.370 68.40 838.9 1.187 29.26	Arab African International Bank - Cairo Arab Bank Lid (OBU) Bahrain	International Financial Advisers K.S.C. Kuwait Financial Centre S.A.K.
	Deutscha mark 0.270 0.533 1 10.6.6 9200 0907 1.078 Japanese Yen 1.000 2.535 5.055 9.586 10.00. 11.49 8 312 10 12	452.0 1 0.546 15.76 4242 5.004 147.9	Areb Finance Corporation S.A.L. Arab Financial Consultants Company S.A.K.	Kuwait Foreign Trading Contracting & Investment Company (S.A.K.)
and the second s	Franch Franc 1 1729 2,352 4,367 485.2 10, 3,960 4,708 Swiss Franc 0,399 0,394 1,103 117.3 2,592 1, 1,189	1273. 2.793 (88.83 498.4 0.703 (17.38	Arab International Bank – Cairo Arab-Malaysian Development Bank Berhad	Kuwaii International Finance Company S.A.K. 'KIFCO'
-	Dutch Guildar 0.250 0.600 0.997 99.91 2 124 1.841 1 Italian, Line, Line 0.597 1.399 3.813 966.7 5067 9.007 3.385	419.1 0.595 14 62 1000. 1.415 54.88	The Arab and Morgan Grenfell Finance Company Limited	Lloyds Bank International Limited
	Canadian Dollar 0.432 0.442 1.563 166.6 3.580 1.418 1.686 Selgian Franc 180 1.712 3.418 8.344 673.9 14.53 3.753 6.841	706.3 1. 94.84 2887. 4.058 100.	Bank of America International Limited B.A.J.I. (Middle East) loc.	London & Continental Bankers Limited Merrill Lynch International & Co.
USTRIA	LONDON MONEY RATES	MONEY RATES	Banque Generale du Luxembourg S.A.	Morgan Stanley International Limited National Bank of Abu Dhabi
MITED	Sterling	NEW YORK	Banque Internationale à Luxembourg S.A. Bank Mees & Hope NV	National Bank of Bahrain. Bahrain
	1973 (on deposit) deposits bonds Deposits Caposits deposit Bills & Bills & Bills &	Prima Roja	Banque Nationale de Paris Banque de Paris et des Pays-Bas	The National Bank of Kuwait S.A.K. The National Commercial Bank, Saudi Arabia
	days notices and the second seco	Tieseury 9HIS (25-week1 . 9.44	Bahrain Offshore Braoch Bayerische Vereinsbank International Societe Anonyme	Nederlandse Credietbank N.V. Nordie Bank Limited
	ne month	Ouscount Reis	Berliner Handels-und Frankfurter Bank Blyth Eastman Dillon & Co. International Limited	Riyad Bank Limited
	ix months 12, 12, 12, 12, 12, 12, 12, 12, 12, 12,	Ona month 3.575 Three months 3.70 Srx months 3.80	Burgan Bank S.A.K Kuwait Byblos Arah Finance Bank (Belgium) S.A.	Salomon Brothers International Al Saudi Banque
		FRANCE	Citicorp International Group - Bahrain	Scandinavian Bank Limited
	Local authority and finance houses seven days' colle a pithers aaven days' fixed. "Long-term local authority norsage rales nominely three years 12%-12% per cent; four years 12%-12% per cent; five years 12%-13 per cent. 9 Senk bril rates in table are buying rates for prime paper." Suying rates for lour-month bank bills 12% per cant; our-month trade bills 12% per cent.		CSFB AG (Credit Suisse First Boston) Dillon, Read Overseas Corporation	Societe Generale de Banque
	Approximately selling rates for one-month Treasury bills 112-113 per cent; two-month 113-113 per cent; three tonths 114-113 per cent; two-month 113- per cent; two-month 113- per cent; two-month 113- per cent; two-month 113- per cent; two-month 12-123 per cent; two-month 12-123 per cent; and three-month 12-123 per cent; and also three-	Six months	European Arab Bank Financial Group of Kuwait K.S.C.	UBAN-Arab Japanese Finance Limited Union de Banques Arabes el Europeennes – U.B.A.E.
•	North 12's per cent. Finance House Base Kates (published, by the Finance Houses Association) 12's per cent from January I 1979. Scaring Bank Depocit Rates for small sums at saven deye nonce to per cent. Clearing Bank Rates for handling 12's ar cent. Tratexing Bills: Average Under tates of discount 11.7855 por cent.			
: -	ar cent. Trateging Bulls: Average Lander rates of discount 11.7655 por Cant.	Gills Discount Râte 4.625		

Financial Times Monday January 15 1979

Insues Traded... Etses

1978-79

Low

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and

N.Y.S.E. ALL COMMON_

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85.8755.42 55.23 55.53 89.38

22 **INSURANCE**

APPOINTMENTS

Senior executive

post at BICC

Difficulty of defining what a contract fully represents

BY OUR INSURANCE CORRESPONDENT

WHAT IS a contract of to comply with the provisions of insurance? What a question, you the 1974 Act in respect of its may say, for we all know that it is an agreement whereby the it is an agreement whereby the may s2y, for we all know that insurance activities. it is an agreement whereby the Nowhere in the 1974 Act is insurer, in consideration of the there any legal definition of the payment of premium by the phrase "contract of insuranre" insured, undertakes to p2y an and so while commonsense amount, if a particular event or might suggest that enforcibility events occur in which the should be of the essence, the Isured bas an insurable department were fully entitled terest. True, hut is this all or is features of a nermal insurance insured interest.

there something more? Suppose arrangement were present then we belong to a sports club to it was inimaterial that there was which we pay our subscriptions. which entitle us to enjoy 211 the The judge ruled in f2vour ef cluh focilities. But suppose that the union and ogainst the some of the subscription is ear-deportment. saying that since marked for a special fund, enabling us to come to the club facilities were discretiooary. committee for financial protec-because members had the right tion against claims against us as individual members, for be considered for it, the union injury or domage, arising out was not engaging in insurance of activities in the course of and not providing contracts of club membership.

club memhership. Suppose the club committee has discretion whether or Dot tn afford thet protection, thnugh that discretion has never been exercised.

In these circumstances have we, the members, contracts of It is not yet certain whether insurance? Or do we bave the department will appeal, hut something less, because ulti-mately, we have no enforcible matter rest. The 1974 Act was legal right to the protection designed for the regulation of offered hy the club rules?

Discretionary

basis

This was the czuse of 2 dis-ute between the Department The judge's decision if left pute between the Department nf Trade and the Medical unappealed, or if affirmed on Defence Union which recently appeal, does not open the door sppeared hefore Mr. Justice to the establishment of a multi-Megarry. The union has for tude of new "insurance" comnearly 100 years as part panies outside the Act: for no of its service provided finabcial one huying insurance, he it protection against professional commercial fire protection, negligence claims, but on a dis-private metor insurance, or cretionary basis only, with no personal life assurance will be again obligation proting an the willing to accept insurance dislegal obligation resting nn the willing to accept insurers' dis-union. cretion — which connotes the

Over the years, the Depart-ment of Trade had beep con-tent to leave the union to go op The judge's decision is valid its self-regulatory way, but with only in its narrow context and the passage of the 1974 Insur-tent to depart the depart of the benefit of ance Companies Act, the depart-professional bodies like the ment decided that the union was MDU who have discretionary engaging ip the provision of professional indemnity schemes contracts of insurance, so that or who may now decide to set the department must be entitled them up for the protection of to move in, require the union their members.

WALL STREET

ment manager FINANCIAL TIMES. Mr. A. MacDougall has been sppointed managing director, HALL-THERMOTANK with rethe union's legal protectioo not to indemnity, hut only to

Department

may appeal It is not yet certain whather

The BANK OF AMERICA NT AND SA has made the following AND SA has made the following appointments to vice president in the Europe, Middle East and Africa Division: Mr. W. Lynn Rewsell, Paris; Cleire Taplett, Bank of America International; insurers providing protection for the public and it is unlikely that at any time during its coosidera-tioo, drafting and passage into isw that there was any inten-tion that bedies such as the Mr. Reland Ward, financial plan-ning, Londru, and Mr. Samnel M. Zavztti, Middle East area office. Appointed assistant vice presi-deots zre Mr. Christopher lles, head of EMEA training, London; union, should be caught hy the

Mr. James D. McQnilliams, Piraeus: Mr. Hngh Rossell. Paris: Mr. Dirk G. Teengs, Rotterdam; and Mr. George Vantier, Mørseille.

Mr. John Edwards has become chief executive of ENERGY EQUIPMENT, His appointment follows the investment recently of £500.000 by the National Enterprise Beard is that comралу.

Mr. J2ck Harris has been made finance director and Mr. Andrew Senu. marketing director, of HERON MOTOR GROUP. Other appointments to member com-ponies are Mr. Donald Lock as Mr. Brian J. Spong and Mr. director, H. R. Owen, Mr. Michael Ronald C. Trenter have been Petrie, director, Herop Trucks, spprinted to the Board of HOME and Mr. Jimmy Kerr, director, CHARM.

Mr. J. Banks is to be appointed by BICC as managing directPr. group services, responsible to Mr. H. G. De VIlle, executive Herpo Lessing, Mr. Robert Burtpo is now marketing man-ger end Mr. Hayden Hogbes, corporate planning, end group management services. Mr. Banks became chairman of BICC Research and Engineering apd a member pf the parent Bpard in July last year.

Mr. Rebert Piper bas been sppointed marketing director of the BANKER and has been succeeded by Mr. Michael Mr. J. H. Robinson has Mr. J. H. Robinson has resigned as managing director of WOODHOUSE AND RIXSON (HOLDINGS) and is joining SMITH AND NEPHEW as managing director of the Elaslo-plast division. Mr. G. S. Baker, executive chairman of Wood-house Rixson, takes over the responsibilities of group manag-ing director. Pridesux as financial advertiseof the

Mr. D. H. M. Venus has been appointed a director of TAYLOR WOODROW INTERNATIONAL. ing director.

Lord Wyford Lerd Wyfoid bas been 2pppinted chairman ef UBS in succession to the late Sir Geeffrey Kitchen.

HALL-THERMOTANK with re-spensibility for the industrial refrigeration and air condition-ing companies in the UK and pverseas. Mr. P. W. Bali has become deputy managing director and Mr. G. R. Connor joins the Board. The company is a member of the APV Group. Mr. Robert N. Sears, a member of the Board of directors and a senior vice president of PHILLIPS PETROLEUM

of PHILLIPS PETROLEUM COMPANY, retires on February 1. On that day, Mr. Russell L. Roward becomes a vice president, assuming respersi-bility for the New Yerk City cerporate office, which Mr. Sears bas heeded since_1962. * Mr. G. C. D. Jeffreys bas been appeinted a managing director of SECCOMBE MARSHALL AND CAMPION.

Mr. J. M. Butler bas been appointed chairman, and Mr. A. C. M. Sigsworth, chief executive. of IDEAL CASEMENTS (READ-ING).

Mr. Peter Seabrook has become Ci: He director of ROGER HARVEY.

Mr. Brign Cunningham bas been appointed deputy manag-ing director of HUGH SMITH (GLASGOW), beavy machine tool manufacturing subsidiary pf The Low and Benar Group. He continues as technical director. OG Yau * Mr. Stanislev Berkieta, head

Phi Rot Rot Rot Rot Rot Rot Cle Tol Unit Vik We of the products division of CITIBANK'S operating group in the UK, has been sppointed 2 vice president. Mr. John Vernon alse becomes a vire president. He is head of the merchant bankiog group's London money market division.

Mr. Miles Milling has been spppinted marketing director of FAIREY ENGINEERING, 2 member of the Fairey Holdings VII group.

Pe Se 5e

······································			1978-78	Since Compilat's	(1.L3) ((0/2) New High
Jan. Jan. 12 11	lan. Jan. Jan. 10 2 8	Jan.	Sigh ! Low	Eigh Low	MONTREAL 1978-79
•[n-lustrum \$58.28 \$28.05 6 8 ma B'nde. \$4.11 \$4.56			40.59 .84.11	1051.70 41.22 (11/1/13) (2/1132)	Jan. Jan. Jan. Jan. Jan. Jan. 12 11 10 9 High Low ledustriel 228.06, 225.64 226.77 226.61 225.06 (12/1/79) 152.00 (16/2) Combined 225.81 231.01 257.32 252.01 225.61 112/1/79 176.82 (30/1)
Transport 217.67 215.48 2	44,50 218,50 215.0	01 217.37	(4)1;76) (12)1;75 281,48 133.61 (3)31 (3)1:78	279.66 12.25	TOBONTO Composite 1399.1 1645.8 1545.8 1548.9 1559.1 (12/1/78) 588.2 (30/1)
CalUties 102.00 187.25 f	i	i	1[0.28 87.75 3/1) (20/12)	165.52 10.66	JOHANNE9BUBG Cold Idustrial 283.4 262.1 201.6 278.5 261.4 277.0 (14.8) 188.0 (20;4) 1840 1860 189.5 188.5 285.4 (12/1/78) 194.8 (13)
000"=1 57,286 24,590 2 ♦ Day's bigb 243.38 low 83	5,680 27 640 21,44 0.04	. 28,000	_	1 - 1 -	Jan. Pres 1371-9 1978-9 Jan. Jan. Pres 1978-8 1978- 12 vicus High Low Jan. 12 vicus High Low
Ind- div. 5ield %	Jen. 5 6.84	Dec. 22 6.03	10ec. 22	(Year ago approx. 5.54	Australia(7) 562.00 650.79 566.79 11110 (22.69 1110) Spain (4) 95.03 95.68 95.09 95.03 Belgium (1) 101.38 101.07 101.38 90.43 (13.179) (23.6) Sweden (4) 576.43 274.57 400.00 1320.14 (13.179) (23.6) Sweden (4) 576.43 274.57 400.00 1320.14
STANDARD AND POOR	8	_			Denmarkt est 58.77 89.67 89.67 28.06 28.06 Switzerid() 303.6 309.9 323.1 281.6 France (11) 78.6 77.4 83.0 47.8
12 11	Jan. Jen. Ja 10 2 9	1 5	High Low		Germany(1) 257.50 234.10 565.8 768.4 - Teronio 3007.000; the ligst named (1910) (1910) based on 1975). 1 Excluding bonds. Holland (551 54.5 83.4 83.1 76.0 ‡ 400 Industrials, 5 400 Industrials 4
Composite \$9.93, \$9.10		1.05 110. 8.80 69,	13(8) (6/5	0 (11)1/73) /30/6/82) 0 (125.85 (4.40	Hong Kong 532.69, 523.59 707.70 353.4 Ultross. 40 Finance and 20 Transcort. 14,09 (16,44, 7 Sydnay All Ordesty. II Seligian SE (75.4, 70,19, 69.84 32.26 55.45 37/12/53, ** Copenhagen 3E 1/1/73, Italy 161, 70,19, 69.84 32.26 55.45 37/12/53, ** Copenhagen 3E 1/1/73,
	; Jan. 16 j	JAO. 8	Dec. 27	Year ago (approx.)	12/1/78 (4110) 19/12 11 Heng Sang Bank 31/7/64.
Ind. div. yield 3	4.91	3.04	3,10	4,90	Bingaporeto) 2022 (String RRA) . (21) a Tokye New SE 4/1/68. S Strang
Ind. P/E Batto	8.93	B.84	8,74	9.18	Indices and base dates (sil base 30/12/77. C Stockheim Industrial 1/1/58. values 100 avcept NYSE All Common- J Swiss Bank Corporation. #Unaval.

WORLD STOCK MARKETS

8,29 Long Gov. Bond tield 8,26 8.98

EUROPE

MSTERDAM	BRUSSELS/LUXEMBOURG	SPAIN *	TOKYO Y
Jan. 12 Fis % %	Jan. 12 Price + or Fra. Yid.	January 12 Per cent Asisnd 111 - 2	Jan. 13 Pricer + or Div. Md. Yen - X. X
Jan. 12 Fig. a a a hold (FI.90)	Frs. Het 2 Arbed. 2,375 +60 Bekaert "6" 8,650 +30 115 44 C.B.R. Cement. 1.30 +18 100 2.2 EBES. 2,410 -10 177 7,4 Electrobell. 6,700 -40 455 6.5 Fabrique Nat. 3,120 +90 100 6.5 G.B. Inno 8m. 2,560 +85 150 5.9 GBL 'Brux L) 1,670 -90 5.3 400 6.1 Intercom. 1,286 +5 148 7,2 40 10 3525 5.2 Pan Holdings. 2,700 -90,39,26 2.9 91,26 30,26 2.9 Patrofina 5,623 +86 180 5.0 30,36 2.9 5.0 140 6.7 Soc Gen Senguei3.390 -36 204 61 9.3 5.0 4.10 6.7 Soc Gen. B	Bance Bilbse 256 -4 Banco Extenor 236 -3 Zanco Contral 254 -6 Banco Extenor 250 - Banco Oanoral 231 - Banco Mispeng 216 - Banco Hispeng 216 - Banco Mispeng 216 - Banco Madrid 211 - Banco Vizcays 200 - 9. Santander (250) 286 - 9. Santander (250) 286 - 9. Santander (250) 286 - 9. Urquijo (1,000) 241 - 9. Santander (250) 286 - 9. Santander (250) 286 - 9. Urquijo (1,000) 241 - 9. Santander (250) 286 - 9. Santander (250) 286 - 9. Urquijo (1,000) 241 - 9. T 2ankunlan 140 Banco Kulcox 25 - 10. T 8abcock Wilcox 25 11. T 9.75	Asahi Giass. 660 +3 14 28 Canon 632 +17 12 14 28 Canon 870 -86 20 14 28 Canon 870 -86 20 14 28 Casio 870 -86 20 14 28 Dai NipponPrint 675
Iking Res 40.8 + 0.3 \$0.20, 1.2 rest.Utr, Hypoki 493 + 1.5 33 3.8 IENNA	Danske Bank 12234 12 9.8 East Asiatio Co. 13654 -1 12.8 8.8 Finansbanken 124 -1 12.8 8.8 Finansbanken 124 -1 12.7 8.7 For Papir -7512 12 6.7 - Handelsbank 125 -12 8.8 G Nthn H (Kr90) 285 12 8.8 Hord Kabel 17454 -1 -1 Novolnd thries 2123; -14 3.8 -	Sogafiss 125 Telsfonice 68 + 1.25 Terras Hostanch 63 - 2.50 Tubacax 59.25 - 2.50 STOCKHOLM STOCHOLM	Tellin 138 2 10 29 Tokyo Marine 323 -1 11 11 Tokyo Elect Powi, 1030 8 4.6 39 10 29 Tokyo Elect Powi, 1030 8 4.6 39 10 25 Tokyo Sanyo 178 10 2.5 10 3.5 Toshiles Corp. 153 42 10 3.5 Tpyota Motor 869 -2 26 14 Source Nikko Securities, Tokyo 3.6 3.7 3.7
Jan. 12 2 - 2 X reditanstalt	Olieiabrik	Jan. 12 Kronor Kr. % AGAAB (Kr. 401, 207	HONG KONG
eit Mag <u>nesit' 250 + 2 10 4.0</u>	GERMANY Price - or Div. Yid. Jan, 12 Dm. - % % % AEG 75.6+0.1 - - Allianz Veraich: 509 + 4 31.2 5.1	Bolora	Hong Kong \$ Jan. 12 Jan. 5 Amalgamated Rubber. Cheong Kong. China Light & Power. Cosmopolitian Prop. Cross Harbour Tunnel. B70 B70 B70 B70 B70 B70 B70 B70 B70 B70
1978-79 Jan. Jigh Low Stock 13	8MW	Cranges (Free),	E. Asla Navigation
2258 1758 Woolworth	Bayor.Hypo	Mo Och Domsto 75 +1 Sandvik '8' Krs. 260 +2 6,75 2.2 S.K.F. '8' Krs. 62,5 -1.0 4.5 7.3	Hong Kong Land

WALLSIKEEI				AEG	Esselto (Free)	Cosmopolitian Prop. 11-96 Cross Harbour Tunnel 18.75 8.70 E. Asla Navigation 4.864 4.85
NEW YORK 1978-78 Jan. High Low- Stock 12	1978-79 High Low Stock 12	1978-79 High ; Low Stock 12	1978-79 High Low Stock 12	8MW 229 28.12 5.1 8ASF 139.5 -0.5 19.78 5.9 Bayer 137.1 -0.6 18.75 5.8	Cranges (Free) 57.0 + 1.5 - 4.0 Handelsbanken 395 18 4.0 Marabou	Hanz Zeng Bank
1978-79 High Low Stock 12 6412 4518 Corning Glass 67 6412 4214 CPC Int m'tional 6114 3612 9318 Crane	3418 2238 Johns Manville 2418 8812 66 Johnson Johnson 7634 5518 2214 Johnson Control. 2678	5813 38 Revion	2258 1758 Woolworth 2018 714 54 Wyly	Bay-Vereinsbk 304 +1 28,12 4,6 Bay-Vereinsbk 322 +6 28,12 4,4 Carter and the second sec	Sandvik '8' Krs. 260 +2 6,75 2.2 8.K.F. '8' Krs. 62.5 -1.0 4.5 7.3	H2. Kg. Kowleon Wharf 27,70 28.50 Hong Kong Land
39 25 Abbott Labs	3814 2734 Joy Manufacturg 3115 2218 2338 K. Mar Corp	3056 20 Rich son Merrell, 2419 3756 2876 Rockwell Inter., 3556 4014 2812 Rohm & Haas 36	1918 104 Zapata	Conti Gummi	Tandstik 8iKr50 65 5 7.6 Unddoholm 65 5 7.6 Volvo (Kr 50,	H2. K9. Shanghai Hotel, 18:30 17.00 H9.K9. Talephons
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7 35. Amer. Motors	261. 17 1000 al nd ttd 171	2213 1974 Scare Roabuck 2158 4712 9712 6EDCO	1934 1414 Brascan	M.A.N	Jalmoli (Fr. 100) 1,445 +5 91 1.5 Hestla (Fr. 100) 3,320 +45 µ356.5 9.6 Do. Reg 2,336 +16 µ35.7 3.7 Ocrilkop Bir250 2,540	Acesita
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Indices

NEW YORK -DOW JONES

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Financial Times Monday January 15-1979

INTERNATIONAL CAPITAL MARKETS

ment bond. The last one, barely two weeks old, has not yet been

Japanese DM convertibles performed very well. Many

names have put on up to seven

points in the past 10 days: Sbarp, which was quoted at 92

on January 4, closed on Friday at 93, having touched 991 two daya before. The strong per-

formatice of the Tokyo stock exchange which reached its all time peak, was the major factor

A DM200m convertible for Kansai Electric was announced,

to be arranged by Dresdner

Bank. The amount was less than expected because of a diaagree-

ment between the borrower,

which is Japao's accord largest

electric utility, and the banks, which would have liked to see

a coupon higher that 4 per

cent, particularly for such a large convertible. This is the second time in less than a

BY JOHN WYLES

entirely sold.

work.



INTERNATIONAL BONDS

Companies and Markets

ינזיינזי. און גן

BY FRANCIS GHILES

CURRENT INTERNATIONAL BOND ISSUES

Av. life Coupon

Package deal from Bayer

though to a lesser degree, of

the French franc where demand for the Peugeot-Citroen issue is

A \$200m ten year issue of bonds the first eight years falling to important role: this is true of with short term bonds seeing, sector will be a Sw Fr 100m with warrants for a prime i per cent for the last four, the Deutsche Mark but also, most demand and increasing 15 year issue for the Asian issue market for fixed rate. The secondary market in float-dollar denominated bonda after ing rate notes was very active it had been closed for a month for the second week running. The warrants can be used to Prices moved ahead although bond will carry detachable warrants, which can be used to buy 13 Bayer sheres at DM136 éacl

Bayer shares closed in Franknaver snares cosed in Frank-furt on Friday at DM137.10: thirteen shares would thus have a market value of about DM1,782. At present exchange-rates the volume of equity finance implicit in the offering is close to the value of the

This issue could also provide investors with an opportunity to re-examine the warrant concept and, as Kidder Peabody put it in its weekly comment, "to reflect on the profits that many have missed in the warrant sector." It is too early to gauge the full market reaction but bankers and investors can scarcely . ignore . thia issue 'in view of the dearth of new paper currently on offer:

Two other issues were announced last weekend, both in the floating rate note sector. one for the Private Investment Company for Asia and the other tors remain in a quandary, torn between long-lerm doobts and a rather brighter financial for the Algerian state, oil and gas company. Sonatrach. This second issue has an interesting. Seature in that the borrower will

U.S. BONDS

17.1

U.S. DOLLAR

HONG KONG

with warrants for a prime 4 per cent for the last four. German industrial name, Bayer, The PICA notes carry an in--through -Deutsche Bank, has terest rate of - per cent over effectively re-opened the new Libor for their whole life

reported to be good and well spread geographically, Two prime borrowers announced they were floating DM bonds last week. Nippon Tele-phone and Telegraph is a name tbat could hardly be improved upon in the eyes of many, while Amex International is edged up by about a half point over the week with good twoaleo that rare animal, a good U.S. bank name. The coupons way business. In the straights sector, and

on both issuee were cut down to 51 par cent in two etages for despite a more active day on Friday due, in part, to a better the Amex bond. Not all investors reacted well than feared batch of figuree on to this new level which in many

BONDTRADE INDEX AND YIELD 94.48 8.63 89.19 8.37 94.91 (2/1) 89.45 (2/1) 94.41 86.96 94.40 (11/1) 88.96 (11/1) EURDEAND TURNOVER (nominal valuo in \$m) U.S. dollar bonda Other ek previous week 478.3* 411.0* st wi 239.5 414.0 Four-day week

the U.S. money supply, tha week ways was made inevitable by as a whole was dull. As Hill the 51 per cent coupon offered Samuel's telex put it. "traders the week before on the shorter and institutional salesmen were tranche of the Danish issue. wearing puzzled and anxious frowns as the normally flicker-

issue in the secondary market will be closely watched as the indicated yield of 5.50 per cent is 9 aolid 75 basis poiots below that which can be obtained nn an outstanding private placement for the same borrower arranged in 1977.

picture in the U.S. last week. pay a split mersin over the Alternative currencies to the straight DM issues picked up EIB and two new bonds in Swiss interbank rate of 1 per cent for dollar continue to play an in the second half of the week francs. The next issue in this

monih that coupona on Japanese convertibles have been increased. On both occasiona by l of a point. The performance of the Amex Other terms for this convertible include a five-year maturity.

Kansai shares reached a high of. Y1,260 and a low of Y1,030 last year and were quoted last Friday at Y1.230. The conversion rate will be fixed oo January 26. A new issue in Luxembourg francs was announced for the Secondary market trading in

15-year issue for the Asian Development Bank through moat in price. Exactly the con-Meanwhile, trary happened in the German domestic market which was SBC. announced its second Australian dollar issue. dampened in mid-week by the The \$40m Osterreichische announcement of a oew govern-

Kontrollbank flosting rate notes, guaranteed by the Austrian Republic and due in July, 1983. are being redeemed ahead of schedule, because of a tech-nicality involving Austrian

export financing rulea. The lasue will be prepaid on February 13 at a price of 101 per cent, plus accrued jotersst. The reason for the move lles with the Austrian Export Financing Promotion Act, under which Austria may only guarantee foreign currency borrowings whose interest cost does not exceed by more than 5 per cent the averagea of the official discount rates in the main OECD economies.

The bank has two other outstanding FRN's, and It is not immediately clear whether these issuea will be affected as well.

Borrowers	m.	Maturity	years .	%	Price	Lead manager	yie %
17Pemex	100	1984	· 5	7주	100	CCF, Mao. Hanover Ltd.	7.12
1++Norway	150	1984	5	91	994	Kuhn, Loeb,	
	-					Lehman Bros.	10.1
†Sonatrach	50	1991	9 1	7 <u>1</u> 4	100	Dillon Read Overseas	7.6
‡ †Private Investment		100/	_				
for Asia Bayar lot, Finance NV	20	1986 1989	7 10	74	100	Baring Brothers Oeutsche Bank	7.1) 7 <u>.2</u>
	200	1767		71	100	Ueutschi Bank	
D-MARKS						· · ·	1 T
Amarican Express Int.	-	1987		- 1	100 ·		5.5
Bank Corp. Denmark	70 100	1767 · 1985	8	持		Dresdner Bank WestLB	
Denmark	. 100	1989	10	61		WestLB	
**New Zealand	100	1986	7	. 6 :	- 991	Commerzbank	6.1
Nigpon Taleghona &							
Tigrph (g'teed Japan)	100	· · 1987 ·	8 · ·	51	99 1	Oeutsche Bank	5.5
§Kansai Electric	150	1984	`	. 💽 -	100	Dresdnar Bank	1.1
FRENCH FRANCS							
Paugeot-Citroen	150	1987	6,66	91		Lazard Freres at Cie,	-
· · · · ·	, .,			-		Societa Genarale	
SWISS FRANCS							
1Sainte-Foy	8	1989	n.a.	41	100	Banque Gutzwillar,	
				-		Kurz, Bungenar	4,
\$New Zealand	120	1994	п.а.	3	99	Credit Suissa	3.5
LUXEMBOURG FRANC	S					· · ·	
1EIB	600	1991	10	ġ	. 1001	Bangua Ganarale du	
		• •	•••	•		Luxembourg	7:27
AUSTRALIAN DOLLAR	5						
Citicorp	15	· 1984	5	` 11		Crédit Sulsse First	·
	• •					Boston	. •
	nal term		meni, ·	+ Floatine	rate note.	Minimum, Gonvertil	de.
tt Register	ned with	U.9. Securities	and Exch	inge Com	mission.	¶ Purchase Fund.	• • •
		Note: Yields	are calcula		180 05245.		

FORFAITING Discounting with a difference

INDICATED CONDITIONS FOR FORFAITING

U.S. \$70,000,000

PROJECT FINANCING LOANS

THE CURRENT banking dispute due hefore the British High Court over alleged non-pay of .bills of exchange DM 26m has focused at oo the system of " forfa employed in many Intern trade transactions. Forfaiting-the loose quivalent is the discoun

trade bills—ia still unfa outside continental E particularly Switzerland Germany where it bi origins. It denotes the purchase of obligations falling due at some

future date, arising from the deliveries of goods and services by an exporter-but without

This is where te practice in the forfaiting market departs from that in the London money. classes of bills do allow recourse . payment. to or claims on the various banks

In forfaiting, the seller of the

worth tention alting "	Debtor Country	Maturity (years)	SwFrs (per	\$U.S. cent per ar	num)
ational	Britain	5	· 44	101	5
	France	6	4	10	5
British	U.S	6	· 4	10 .	·5
ting of	Japan	. 6	4	93	· 5
	China	5	41	10 ?	5
	Brazil	5.	52	11 .	7
d and	The above rates of	discount	reflect · terms	ofor the pu	irchase
as its.	medium-term trade	paper for			
inco of	Courses Tinons	AC Tuniah			

Source: Finanz AG Zurich

forfaitable " portance in view of the noninstrument recourse aspect of the business. typically s blll of exchange or In forfaiting, the other main promissory note - is usually on exporter whn has accepted difference from London techit in payment and who wishes to niques is that medium-term pass all risk and responsibilities maturities of up to five years for collection to the forfaiter are available.

should be in the form of an irrevocable bank guarantee.

currency markets rather than the sterling-based trade finance

BY JOHN EVANS

10 A 17 3

Offai

markets. DM Forfaiting is still little used by Britisb exporters, although there has been growth in specific

areas. The UK Export Credits Guarantee Department extends fixed-rate longer supplier credits in the European Economic Community. However. erms for the purchase of by employing forfaiting, a UK exporter can still obtain such representative importing credits for use elsewhere in Europe,

Finanz AG in London, a sub sidiary of Switzerland's Credit Suisse, which is active in forfaiting, says the technique offers exporters several advantages.

It relieves the exporter's balance sheet of contingent-liabilities, and improves liquidity. London bills are classically Taken together, these two facsight" instruments and bills tors increases the exporter's

borrowing capacity Finanz AG adds however: "In times of adverse market carried out in Deutsche-marks, conditioos, the disadvantage lies in the occasionally relatively dollars, Where forfaiting high financing costs which are

Money supply too true to be good LATEST money supply on Friday that the figures were than usual because of projec-THE LATEST money supply on Friday user the figures were than usual because at projec-statistics. published by the inaccurate and that it planned tions they made earlier in the Week of an expected bulge of Thirsday is prought such Forecasting the money supply up to \$5bn when M1 appeared wall Street economists that the buf some economists were left \$500m. The bond markets staged Fed was forced to issue a denial with more egg on their faces a gentle rally which halted the

ing lights of their dealing desks "blacked out" on a scale not seen since the Continental

Edison disaster of 1965." Inves-

ET INTERNATIONAL BOND SERVICE

The fish shows the 200 issert international bonds for which an adequate secondary market exists. The onces over the set weak, were simplind by: Bondtrade; Kredietbank. NV: Credit Commercial de France: Credit Lyonnes: E. F. Hutton privides, SART Commercial K. AG. Donorschild Bank AG. Westdeutsches. Landesbank Glovantrale: Banque Internationale rombourg: Krediet Bank: AG. The protocol and set of the second and NV: Plerson, Heidring and Pierson; Credit Susse, Swiss redit Bank: Onlon Bank of Switzertand: Akroyd and Smithers: Banque Sank and NV: Plerson, Heidring and Pierson; Credit Susse, Swiss redit Bank: Of Union Bank of Switzertand: Akroyd and Smithers: Bank and NV: Plerson, Heidring and Pierson; Credit Susse, Swiss redit Bank: Of Union Bank of Switzertand: Akroyd and Smithers: Bankors. Trast International: Sanque Franceise de Credit training Company: Oillon, Reed Oversees Corporation; SC: First. Chicagos: Gedinein Satta International: Corporation: Heinbros, Bank, 184 International; Kidder Pesbody Inter-ational; Science: Science: Science: Stanley International: Samuel Monragu Ad. Science: Science: Science: International: Samuel Monragu Ad. Science: Science: Science: International: Samuel Monragu Ad. Co.; Sumitonio Finages International; S. G. Werburg and Co.; Wood Closing prices on January 12 Luxembourg: Kredlet Bank Lüxembourg Credii Bank: Union Bank di Switzerlar EBC: First Chicago: Ga national: Mairill Lynch: - Change on Issued Eld Offer day event Yield 25 54 943 +04 0 +10.27 33 775 955 955 -04 0 + 10.27 75 973 973 +04 0 + 10.88

OTHER STRAIGHTS Issued Bid Offer day week Yield Rank 0/S. Hold. 114, AS 12 95 96 0 -04, 12,83 Auto Core B. 7 S3 EUA 16 95 96 - 0 -04, 7,51 Copenhagen 7 93 EUA 30 94, 554 -04 -07, 7,56

on three month commercial naper had slipped slightly th 10.35 per cent, seconding to Salomon Brothers while six month Treasuries had climbed six basis points to 9.44 per cent and six month certificates of deposit were harely changed st 11.25 per cent. Long-term Trea-tury prices fell hy up to § and corporates up to §.

nterest rates.

Trading down

declining trend of the previous three days. But Friday saw the mood change, bringing with It news tbst unemployment had risen

By the end of the week yields operations.

claim protects himself from any

Unless the importer is of firstof 90 to 180 days' duration.

class quality, the forfaited debt Reflecting its European must carry a security. This origins, forfaiting is usually "aval" nr an unconditional and Swiss francs or alternatively

markets, where the various in exchange for immediate cash which have endorsed them as class quality, the forfaited debt part of their trade financing must carry a security. This recourse by including the words Specialists in forfaiting stress facilities are extended in Lon- due to the essumption by the "without recourse" in the that the fulfilment of this con- don, the system is usually forfaiter of the totality of these endorsement. The seller of a dition is of the utmost im- regarded as a part of the Euro- risks."

claim on any previous holder of the obligation. insigoificantly in December and that therefore the economy was still showing nn signs of stalling under the impact of bigb

	entregen 7 93 EUA 30 9:1, 353, -04 , -07 , 756 and 1nd 7 93 EUA 16 95 96 -04 , -07 , 75, nm Insl. 7, 93 EUA 15 5, 4, 2:4, -04 , -04 , 7, erms 83, 93 EUA 1, 20 5, 963, 0 0 9,70 I Fiance 7 93 EUA 22 93, 974, -04 , -04 , 7, smene 8k, 63, 83 FI 76 943, 953, $+04$, $+15$, 7,55 cll 74, 83 FI 1, 75 943, 953, $+04$, $+15$, 7,55 marked 73, 83 FI 76 943, 953, $+04$, $+15$, 7,55 er. Midd 64, 83 FI 75 944, 974, $+15$, 8,61 74, 85 FI 1, 75 937, 974, $+04$, -04 , 204 , 27 , 8,24 * Zoaland 65, 84 FI 75 937, 944, $+04$, -1 8,50 way 69, 83 FI 1, 100 244, 945, $+04$, $+15$, 2,08 95, 85 FI 1, 200, 75 99, 954, $+04$, $+07$, $+15$, 2,08 95, 85 FF 1, 200, 200, 96 994, -04 , $+04$, $+04$, -04	Anticipation that after two	JORDAN FERTILIZER INDUSTRY COMPANY
CECA 9 83	and ind. 7 $_{3}$ 33 CUA is in the set of t	months of extremely slow money supply growh, the figures were	LIMITED
CECA 92 84-99 50 98 967 + 07 + 07 - 8.79 Alga CNI 9 93 75 94 941 + 07 - 07 - 07 - 9.87 Brazi Conode 8 23 250 337 - 94 - 07 - 0 - 9.86 CFE Canade 9.20 85 250 327 - 331 + 07 - 0 - 9.84 EIB Canade 9 63 63 250 97 - 88 + 07 - 0 - 9.82 Node	11 77 83 FL	abont to take B turn for the worse and campaned most of the	
Canada 8 20 85	74 85 71 85 874 974 974 86 874 974 974 875 873 974 974 875 873 974 974 875 873 974		
Canadair 31, 83 Oominion, 13:40 gas, 5: 88 E/B 91, 98 E/B 91, 9	er. Mindd. 64, 83 F 75 934, 944, 0 - 04, 8,24 7 Zooland 65, 84 Fl 75 934, 944, +94, -1 8,50 way 64, 83 Fl	money supply curve is still fist	U.S. \$50,000,000
Eksportinions 9:26	AND AD DE EE 400 4041 4041 101 101 725	"poses a rather intriguing mys- tery in view of the economic strength in the closing months	Ten year finating rate inan
	aver 10 85. FFr:	of 1978." says Mr. Henry Kauf- man of Salomon Brothers.	
Hangmai 11 (5 1 63 27 965 37 +0 +0 986 BAT Itol Finance 98 90 30 973 923 +0 10 10 986 E14 C POINTARY 8, 83 20 974 935 +0 +0 9.85 Nov Fin 84 83 20 824 935 +0 +0 9.85 Fine Nov Fin 84 83 20 824 935 +0 +0 9 9.85 Fine Nov	aver 10 65 - FF7 250 551 963 + 65 + 65 8 88 Lux Fr	He notes that the combination	THE HASHEMITE KINGDOM OF JORDAN
	205 Km, 5 85 Loz Kr, 5 0 99 100 0 0 8.03 Bult 75, 88 Loz Fr, 500 57, 383, 0 0 8.11 row Fin, 8 35 Loz Fr 500 100-210 3, 40-5, 40-5, 7.75	of economic strength and no movement in the money supply	províded its guarantee to participants
Finance 3 83 500 500 507 100 00 937 900 100 937 900 100 938 Bave Ital Finance 9% 50 .00 .07 .00	and I. F. & 88 Lux Fr. 250, 55, 57, 56, -04, -04, -04, 8, 4 nay 74, 83 Lux Fr. 250, 55, 57, 99, 100, 0, 0, 20, 3 ault 75, 88 Lux Fr. 500, 57, 56, 0, 0, 0, 11 100, 10, 2, 0, 2, 10, 1, 10, 10, 10, 10, 10, 10, 10, 10,	should have produced sufficient pressure in the credit marketa	Managed by
Nolway 94 83		to push the Fed funds rate out of the relatively narrow range	ARAB BANK LIMITED and BANQUE ARABE ET INTERNATIONALE
- Mot. Hyero 8- 85 125 874 94 +04 +01 9.84 NOTE		of 97 to 10 per cent. But he le reluctant at this stage to commit	THE ARAB AND MORGAN GRENFELL D'INVESTISSEMENT (BAII) FINANCE COMPANY LIMITED
Int. Here of 285 125 84 +01 03 9.84 NOTE Touche C.H. Mar of 2.53 50 55 55 57 +01 0.84 NOTE Touche C.H. Mar of 2.53 50 55 573 +01 0.9.80 Amer Swet an S4 88 125 503 574 +02 0.9.84 Amer JK 50 563 574 +03 0.84 Airab JK 50 564 594 594 974 +04 -04 8.84 Airab JK 50 564 564 564 9.92 BFG 3cc. UK 57 56 564 964 +04 -98 84 3cc.	nicen Expresso 82 ^{-1,1} L ₂ 99 ¹ 2 99 ¹ 20/4 10 ¹ 2 10.69) Inti, 8k. M645 83 0.91 95 ² 5 96 ¹ 31/1 9 ¹ 9.77 Fin. Co. M5:5 85 0 ¹ 2 98 ¹ 3 98 ¹ 3 12/7 12.4 12.60 El Solvador M613 11 99 ¹ 99 ¹ 3 77 12/4 11.31 11.63	himself to any particular ex- planation. Whatever the reasons	
150 55 56 +01 - 78 e.84 acc. DEUTBCHE MARK	III.con Expraso 827 C a 55% 56% 20/4 10% 10% 10.85 5 Intl. 84. M645 83.0% 55% 56% 11/1 9% 9.77 Fin. Co. M555 68 0% 98% 96% 12/7 12.4 12.60 Noc. Argunt. M88 83 1% 96% 97% 12/4 11.31 11.83 Noc. Argunt. M88 83 1% 97% 97% 25/11 12.94 13.27 is of Tokyo M5% 93 0% 96 88% 21/1 9% 10.85 Lue Worma M3% 83 0% 96% 97% 15/4 10% 10.85 E. d'Alg. M6375 84 0% 96% 95% 97 8/2 9% 0.55 E. d'Alg. M75 85 0% 98% 95% 97 8/2 9% 0.55 E. d'Alg. M755 85 0% 98% 95% 97 8/2 9% 0.55 E. d'Alg. M755 85 0% 95% 95 2/5 12% 13.32 Indo of Suez M5% 0% 95% 97% 12/7 12.4 12.70 ("All. Occ. M6.5 63 0% 97% 97% 12/7 12.4 12.70	for the current pheoomenop.	BANQUE DE L'UNION EUROPEENNE SOCIETE GENERALE
STRAIGHT - Bank ntuna 6-2 68	of Tokyo M5- 93 04 96- 67 18/4 104 10.85 ue Worma M3- 85 04 96- 98 16/5 12 12.18	Mr. William Miller, the chain man of the Fed, made it clear	UNION DE BANQUES ARABES ET WARDLEY MIDDLE EAST LIMITED FRANCAISES—U.B.A.F.
Austrelia 6 85 Aristria 75 80 Anistria 75 80 Banksmerica 55 80 Banksmerica 55 80 Banksmerica 75 80 Ban	ue Woima M34, 83 04, 984, 983, 15/5 12 12.18 E d'Ala, M8375 84 03, 964, 97 9/2 94, e.s E, d'Ala, M75 85 04, 957, 96 2/5 124, 13.32 Indo ot Suez M35, 04, 97, 97, 96 2/5 124, 13.32 (. Alr. Occ. M6.5 53 04, 97, 97, 12/7 12.4, 12.70	this week that present levels of inflation argue for continued	The above managers arranged participations in a loan by International Finance Corporation to Jordan Fertilizer Industry Company Limited
2 ≈ 102	Alr. Occ. M6.5 83 04 974 977 12/7 12.4 12.70 E M5.25 98	ansterity on the credit front.	Cn-Managed by
Commerzhank WW 21, 30n - 1037-1065 . 8 05- 3 60 1. Gotal	It National MS% 68 0% 88 98's 11/7 12's 12.50 bankan Ma 88 04 97's 97's 15/5 12.31 12.63	Five-year note	ALGEMENE BANK NEDERLAND N.V. ARAB JORDAN INVESTMENT BANK
Commerzhoñk XV 31 101 824 81 404 0 5,95 104 Coenhoben City 6 90 75 984 847 0 5,557 1040 Council of Frider 75 984 997 0 5,57 1 1040	Bk. Jápan M65-85, 01, 1987, 291, 1/5, 12.35, 12.46 Janoka M7.75, 35, 1, 251, 971, 16/1, 104, 10.59 2 Janon M57, 85, 02, 983, 935, 12.06, 12.20	Clearly this does not point to significantly lower interest	THE BANK OF TOKYO, LTD. BANQUE NATIONALE DE PARIS
Council of Europe 64	Bar. September 2010 September 2011 S	rates in the near future. The	BAYERISCHE LANDESBANK GIROZENTRALE BURGAN BANK S.A.K.
	Craft. Sk. M5.5 85 02, 99 99-22/8 12.81 12.51 M53,88	climb to present levels bas en dampened down foreign bond	DEUTSCHE BANK GULF INTERNATIONAL BANK B.S.C. COMPAGNIE FINANCIERE LUXEMBOURG
16.1 5 44:	M35 88	salea in the U.S. that one of the most interesting issues of	MIDLAND BANK LIMITED
Mitsuhishi Petro, 19, 89 100 1013 1013 -04 -04 5.07 11 1 Utd. J New Zeabard 64 57 11 900 1983 983 0 403 57 11		last week was the \$150m of five years notes from the King-	
Niopon Steel 34 65 100 100 100 0 11 5,03 CONV Incrite Inv. Sk. 74 86 71 99 99 00 101 0 10 5,03 CONV Norway 47 83 00 100 97 97 0 100 532 Norway 47 83 0 100 97 977 0 0 10 5,15 Aorts Norway 47 83 0 100 97 977 0 0 10 5,15 Aorts Norway 47 83 0 10 10 10 10 10 10 10 10 10 10 10 10 1		dom of Norway. The first true Yankee issue	Funds grovided by
Norges Kontra. 6 50 100 57 57 0 +0 5.32 Norway 47 R3 250 57 0 +0 5.15 Norway 47 R3 8 8 57 10 +0 5.15 Norway 1 8 8 8 57 10 +0 40 8.28 Nordents 54 90 150 574 58 0 +0 40 8.28 Nordents 54 90 150 574 58 0 -0 +0 8.28 Nordents 54 90 150 574 59 0 -0 +0 8.28	54,83 ⁵ ,	(Canadian bonda technically do not count) in four months, the	ARAB BANK LIMITEO BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT - OBU BAHRAIN - (BAII)
Orcidental 52 90 150 974 57		pricing was a vigorous reminder of the times. Norway sold	BANQUE OE L'UNION EUROPEENNE SOCIETE GENERALE
Petroleco Brazil 7 88 100 100 100 0 200 7.03 100 100 0 200 100 100 100 100 100 100 1	Cole aorting 634/18 9 50% 62 -05 13.37 okado 54 936/78 1473 134 1.55 -04. 0.25 Industr 7 884/79 259 894 90% +0% 6.21 a Int. Alr. 75 934/79 14.5 814 92% +0% 14.55 Int. Fin. 87 889/78 21 100 1012 +0% 14.38 Int. Fin. 578 888/78 21 100 1012 +0% 14.38 Int. Fin. 578 818/78 61.5 76 77 +0% 154.31 Intucial 32 DM12/78 588 67 96 0 1.36 Cp. 34 85 DM11/78 841 1032 104% 0 5.53	S150m of five year notes in the U.S. last June at a yield of	UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.F. ALGEMENE BANK NEDERLAND N.V.
Spain 9 88	Int. Fin. 87 28	8.85 per cent, But to ensure strong investor demand this	ARAB JORDAN INVESTMENT BANK THE BANK OF TOKYO, LTD. BANQUE NATIONALE DE PARIS BAYERISCHE LANGESBANK INTERNATIONAL S.A.
Steroil 5 88 UOS Group 51 85 Union Bank-Fini 67 885 Vanezuolo 61 90 World Bank 68 88 World Bank 68 88 Union Bank 75 Union Bank 75 Uni	Cp. 34, 85 DM11/78 841 1032 1043 0 6.53 (va 34, 85 DM10/78 989 964 899 0 7.33 21 66 DM10/78 1270 95 96 +C3 13.50	week the yield was jacked up to 9.879 per cent on a semi-	BURGAN BANK S.A.K. DEUTSCHE BANK
Conial Conial	hiroku 3-2,85 11 M 1/79 612 88 99 +04 5.52 dei rood 3-2 11 M 2/79 1033 1072 1032 -11 11.88	annual besie. According to Morgan Guar-	
STRAIGHDS Issued Bid Offer day week all all Murat Acess 54 38 40 1241 105 +04 -05 + 40 Nipo Americ Exp. tht 35 50 40 100 104 -06 -14 Nipo	$\begin{array}{c} \begin{array}{c} 10034, 265 \ {\rm DM}11778 \ {\rm gas} 1033, 1043, 0 \ {\rm gss} 37, 85 \ {\rm DM}11778 \ {\rm gas} 1703, 1043, 0 \ {\rm gss} 37, 85 \ {\rm DM}179 \ {\rm IZ70} \ {\rm gss} 954, 557 \ {\rm gss} 1, 13, 550 \ {\rm dei} \ {\rm root} 31, 285 \ {\rm DM}179 \ {\rm IZ70} \ {\rm gss} 954, 557 \ {\rm dot} 31, 255 \ {\rm dei} \ {\rm root} 31, 257 \ {\rm dot} 31, 271 \ {\rm dot} $	anty some \$5.689bn of foreign bonds. including Canadian, were	GULF INTERNATIONAL BANK B.S.C. MIOLAND BANK LIMITED THE BRITISH BANK OF THE MIDDLE EAST WARDLEY MIDDLE EAST LIMITED
Austria 32 53	pr Yen, 33, 85, OM 1/79 251, 364, 364, -04, 3,12 n Olesi, 34, 85, OM 2/79 477 954, 964, +04, 9,12 , On 34, 85, DM 2/78 703, 1074, 1084, +04, -2,99	sold in the U.S. last year com- pared to \$7.42bn in 1977 and	BARCLAYS BANK INTERNATIONAL LIMITED EUROPEAN ARAB BANK
Chese Mathotten 6 33 70 1093 1093 -04 -04 3.62 Ricoh Council of Europe 43 100 1073 1023 -04 -04 4.03 Sonyo Bankomala 7 20	37, 85 0M	\$10.6bn in 1976.	(BAHRAIN GAU) THE TOKAL BANK, LIMITED
BNDE 5 88	Stro. 34 56 0 0 1 - 279 487 974 983 - 12 - 4.81 Co. 32 88 0 0 - 279 487 974 983 - 12 - 4.81 W. Elec. 33 11	Sales decline	Name Bank
Els 44, 93 Els 44, 94 Els 44, 93 Els 45	5. Eloc. 3- 87 ON 4/74 476 374 365 - 44 18.25 (nwd. 3- 88 OM_11/78 711 903 913 + 04 18.25		Agent Bank UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.F.
CW/ICS Issued Did Change op. Marud STRAGHUS Issued Did Did Did Ope. day. weak Yield Marud Areas Str. 35: 30 40 Did Tot. 40, 40, 40, 40, 40, 40, 40, 40, 40, 40,	No information exailable—previous doy o orico. † Only one market maker supplied a price.	The decline was almost entirely due to a slump in issues by international organisations—	
GZB 42 53	-grico; the amount issood is in millions of currancy	\$459m against \$1.9bp-wbo withdrew from the U.S. market	
Malayeio 43 50	LE EXCOPT TOF THE DOING WHOLE IL IS IN DELICION.	either because of relatively high interest rates or to avoid put-	U.S. \$20,000,000
newsg:4 93:	ng Rate Notes: Denominated in dollors unisse other- of indicated. M-Minimum coupon. C.dts=Date 1 coupon bocomes offective. Spread=Morgin obovo month ofered rets for U.S. dollaro. C con=Tho mont coupon. C.yld=Tho current yiold.	ting more pressure on the debilitated dollar.	Fixed Rate Term Lnsn
0v Nokie 5 30	month ofered rete lor U.S. collaro. C con = Tho nent coupen. C.yld = Tho current yield.	Meanwhile, trading this week]	Provided by
Seas 47- 88	ntible bonds: Donaminated in dollars unless open a indicated. Che day=Change on day. Chy. deto= i date for conversion into shares. Chy. price= i	from the oil workers settlement in line with the President's	INTERNATIONAL FINANCE CORPORATION
Vicenberg Kraft 4 93	ninal emount of bond per share expressed in rency of share at conversion rate fixed at issue.	anti-inflation guidelines. New	
VEN-STRAIGHTS Issued Rid Offer View View Index	equiring shares via the bond over the most recent	issues are expected to include \$150m of 30 year bonds from	
Asian Dev. Bk. 57, 88. 15		Pennsylvania and some 5370m []	This announcement sppears as a matter of record only.
YEN-STRAIGHTS Issued - Bid Offer day week Yield of all price Asian Dev. Bk. 5% 88 15 5% 97% -0% 0 6.20 BFCE 6.4 80 30 55 36 0 6.7,10 Lindigue and Dev. Bk. 5% 88 15 5% 97% -0% 0 6.20 57 5% BFCE 6.4 80 30 55 36 0 6.7,10 7 Lindigue and Dev. Bk. 5% 30 56 37 10 5.85 7 Kina 6.3 90 30 56 37 10 5.85 7 7 Norway 57 83 30 54's 55's 0 -0% 7.67 5.47 0 1 Sweden 9.3'80 30 54's 55's 0 -0% 7.67 cansen	nort in any form not contritted without written }	of an assortment of municipal	
		· ·	

24 .

OFFSHORE AND AUTHORISED TRUSTS UNIT **OVERSEAS FUNDS** Franklington Unit Migt, Ltd. (a) Minster Fund Managers Ltd. Guilter Management Co. Ltd. Schlesinger Trost Mager. Ltd. (a) 5-7 Irelaid Yard, EC48 50H. 01-248 6471 Minster Fund Managers Ltd. Guilter Management Co. Ltd. Schlesinger Trost Mager. Ltd. (a) (2) American 67.4 51.34 109 Minster Fund Managers Ltd. Guilter Management Co. Ltd. Schlesinger Trost Mager. Ltd. (a) (2) Capital Tit. 137 145.0 10.9 38.9 38.9 38.9 5.95 Guidrant Gen. Fd. 106.0 111.3 4.40 Am. Exempt (0306) 8644 Income Tot. 110.2 117.20 755 Exempt Dec. 29 197.5 5.41 Guidrant Income 131.0 1851.0 Am. Exempt 201.40.1 38.9 Income Tot. 110.2 117.20 7.55 Exempt Dec. 29 31.3 0.40 Income Tot. 123.4 123.2 72.6 20.6 MILA Unit Trust Mager. Ltd. 01-930 7333' Refance Unit Migrs. Ltd. 60.92 22271 Exempt Mich Ud. 5.41 9.1 4.4 Didons Fad. Dotting 100.5055 MILA Unit Schert. SWIA 91.... 01-930 7333' Refance rt. Ltd. (a) (z) (0366166441, 2411+0.1, 3.89 30.8+0.4, 2.42 31.3, ----- 8.03 27.8 ---- 4.43 27.8 ---- 4.43 32.8 ---- 9.18 44.4 -0.1, 9.48 031-229 8621/2 27.7m +0.1 1.70 43.9 -0.1 6:02 45.6 ---- 9.94 Abbey Unit Tst. Mogrs. (a) 01-606 707 المت الله 72-80, Gatehouse Rd., Aylesbury. 0296 5941 Income ______ 41.2 Inv. Tst. Fd. ____ 35.6 Gea. Tst. _____ 46.9 Is Prog. Tst. ____ 64.5 Trades Union Unit Tst. Managersy 100, Wood Street, E.C.2. TUUT Jan. 2_____49.5 01-628-8011 Printing Project Cold Jr, M. Pitram End, Dorking. Pitram End, Dorking. Pitram End, Dorking. S. J. Unit Managers Ltd. # G.T. Unit Managers Ltd. # G.T. Cap. Instance Circus, ECCM 700 G.T. Cap. Fd. Unit, Stance Circus, ECCM 700 527 ---- 542 Alled Hambre Group (a) (g) Transatizatic and Gen. Secs. Co.V Indi. Growth Market Leaders Will Yield Pret. & Gill Trust Property Stares Special St. T.J. U.K. Crth. Acom Nambro Hise, Hutton, Brentwood, Essev. 01-588 2851 or Brentwood (0277) 211459 0245 51663 91-99 New London Rd. Chelmstord Ridgefield Management Ltd. 38-60, Kramedy SL, Marchester D61-236 8521 Ridgefield Int UT 22 938 24 90 K. Cr Ridgefield Income 92 938 24 10.1 0.K Grth 73.1 -0.1 5.54 69.1 -0.1 5.64 39.40 -0.1 5.71 37.8 4.76 75.0 -0.1 5.37 116.3 -0.1 5.37 133.0 -0.2 4.55 Kleinwort Beasson Limited 20, Fenicarch St, EC3. 01-623 Barimest, Loc. F. 1.132 Da. Accyn 72.7 Da. Accyn 51.512.19 KB Iou, Fond, 51.512.19 KB, Jone, Fund 51.5512.19 Signet Germach 51.5510 Inferrati, Bol, Fd 50.5507 S Ind. Dev. J. Henry Schreder Wagg & Co. Ltd. 9 120, Chespste, E.C.2. 01-240 343 Rothschild Asset Management (g) 01-240 107 94 131 8 201 84 345455285574332 227577442254332 Bask of America International S.A. _________ 67.6 39.4 7911 -021 822 7217 -021 849 4224 -011 7.27 eld FO (Acom Unis) (Acom Unis) (Acom Unis) (Acom Unis) (Acom Unis) Europe Jan 11 Europe Jan 11 High Income . A. H. Eq. In⊂ 28.7 +0.2 2.37 48.5m -0.1 1.84 58.9 +0.6 1.99 Lieyds Bk. (C.L.) U/T Mers. Banque Bruzelles Landrert P.O. Box 195, St. Hettler, Jersey, Doyds Tut, O'Seas, 155,1 Next dealing date Jacoby 18,01 Lloyds Trust Gall, 19,97 Next dealing Jacoby 24, 24 1777 24 1777 2006 215.6 7066 aug 0534.2 ecovery Sits Tyndall Managers Ltd.V Lloyds Bank International, Gen P.O. Box 436, 1211 Genere 11 (Set Scottish Equitable Fnd. Mgrs. Ltd.♥ 0272 32241 National Westminster (2) 50.5 +0.5 1.98 64.8 -0.1 5.02 100.0 +0.8 2.20 Fractional Fractional Call Computer Call 161, Chempidie, EC2V 66U, 01-606 6060. 01-606 6060. Capital (Accum.) 167.2 72.21 +0.11 4.49 Entra Inc. 34.5 37.0ml +0.11 5.42 Financial 34.5 37.0ml +0.11 5.14 Income 35.9 93.40t +0.17 7.31 Participic Irm. F4. 49.8 7.30 -0.31 6.04 Universal F6.102 56.1 60.47 2.36 Lloyds Int. Growth __ISF310.0 331.001 Lloyds Int. Income __ISF310.0 380.001 Gibbs Cantany) Unit fst. Mgs. Ltd. (a) 3 Frederick's PI., Old Jewry, EC2 01-588 4111 52.7 -0.1 10.60 Income 43.6 46.9 -0.80 10.60 Income 43.6 46.9 -0.80 Accumulation 66.3 72.8 -0.7 220 Growthit -0.40 43.5 -0.11 4.00 Gastal -0.34 40.4 43.5 -0.11 4.00 Growthit -0.74 40.4 43.5 -0.11 4.00 Gravitit -0.34 40.7 -3.8 4.00 -0.8 4.00 Technology -0.11 4.00 -0.3 5.00 -0.11 4.50 Ind. Ers. & Assetti -33.7 -34.4 -0.3 5.00 -0.50 Far East 6 6.00 0.50 Far East 7 0.50 Far East 7 -0.39 31.0 4.01 1.40 5.00 Far East 6 0.50 5.00 -0.50 Barclays Unicera Int. (I.e.Man) J. Thömes SL, Doinglas, I.o.M. 0624 4856 Bricom Aust, Ext. 551 million 160 Da. Aust, Min. 514 56.0ml 160 Da. Getr, Pachfic. 519 26.0 170 Da. Getr, Bachfield 314 26.0 170 Da. Getr, Bachfield 319 26.0 170 Da. Getr, Bachfield 37.8 21.8 2.10 Da. Intl. Income 37.8 42.9 40.1 Da. Man Tst. 45.9 42.9 40.1 Da. Man Tst. 55.8 27.8 1.40 Sebag Unit Tst. Managers Ltd. (a) Rayal Tst. Can. Fd. Mgrs. Ltd. Ansbacher Unit Mgmt. Co. Ltd. 01-623 \$376 175 9.66 Noble St., EC2V 7JA. c, Monthly Fund [165 NEL Trust Managers Ltd. (a)(g) 176.6 23 116 176.6 231 177.8 378 Security Selection Ltd. Stormartx Methal L2.5 27.8 140 Attentic ian, 9 BDS 71 118 Bishopsgate Commodity, Ser. Ltd. Gold Law Gold Law Gold Law Bishopsgate Commodity, Ser. Ltd. Gold Law Bishopsgate Bishopsgate Bishopsgate Commodity, Ser. Ltd. Gold Law Bishopsgate Bishopsgate Commodity, Ser. Ltd. Gold Law Bishopsgate Arburthmot Securities Ltd. (a)(c) 37. Queen St. London. EC4R JBY. 01-236 5281 arhurthmot Securities Ltd. (a)(c) 37. Queen St. London. EC4R JBY. arhurthmot Securities Ltd. (a)(c) blacksen Units) 77.4 blacksen Units) 78.3 blacksen Units) 78.4 blacksen Coll Std. (a) S Ashuttmot Securities Ltd. (a)(e) Save & Prasper Group 4. Great SL Helers, London EC3P 3EP 68-73 Queen SL, Edinburgh EH2 4HX Dealings to: 0.1-554 8397 or 0.31-226 7351 Savett (Jahn)♥ Landon Wall Group Capital Growth . Stewart Unit Tst. Managers Ltd. (a) o. Accum stra Inc. Growth o. Accum mancial Pr'rty..... 77 London Wall, EC2 Save & Prosper Securities Ltd.W 031-226 3271 01-588 5620 Capital 37.5 1.T.U. 24.9 Unite, Growth 70.7 6511 ____ 146 70.9 ____ 146 52.4 ____ _ Stevent & High Capital Fand 153.61 400 Standard 134.9 153.61 400 Accam Units 162.0 178.8 400 Dealing Tues & Fri. Wed. 21, Creatry Wey, Andorer, Ha 57.6 -0.3 7.55 Marray, Johnstone (inv. Adviser) 163, Hope St., Glaigow, C2. 011-221 5521 *Hope St. Fd. Stiffer (Star) Marray Fund (Star) NAV December 31 Britannia Tst. Mognst., (CI) Ltd. TSB Unit: Use: 71.5 -0.2 042 44.5 -0.1 9.37 Pelican Units Admin. Ltd. (g)(a) Starting Deveningtor, Jery. 053473114 Starting Deveningtor, Jery. 053473114 Starting Deveningtor, Jery. 053473114 Starting Deveningtor, Jery. 053473114 Jond. Fd. 254 Jond. Fd. 254 Jond. Fd. 100 Jerse Corrow Tal. 1105 Jond. Fd. 200 Jond. Fd. 100 Jerse Corrow Tal. 1105 Jerse Corrow Tal. 1216 Jond. Fd. 200 Jond. Fd. 100 Jerse Corrow Tal. 1105 Jerse Corrow Tal. 125 Jond. Fd. 200 Jond. F Sun Alliance Fond Mngt. Ltd. Sun Alliance Hoe, Renstom, 04/03 64141 Exp.Eq.Tsc.tan.10 12/22.6 260 7 4/3 VThe Family Fd. 199.7 105.0 4/3 47.8 -0.5 5.30 Perpetual Unit Trust Magmt. (a) 98.0 +0.1 310 113.4 +0.4 1.44 42.8 +0.2 1.74 77.4 +0.4 0.56 Target Tst. Mingrs. Ltd. (a) (g) U.S. Denominated Fits. U.S. S. Second State Stat Sector Fiends Commodity Energy Financial Secs Uister Banky (a) Archway Unit Tst. Mgs. Ltd.♥ (a)(e) 01-628 6011 97.1 -0.3 4.40 31, Gresham SL, EC2. Deal 851 -0 7 3.99 757 +03 156 7634 -0.7 324 75.2 Image: state for state fo nda Bidos 0232 35231 39.4 -0.2 . 6.08 Value Jan. 12. Next dealing Jan. 15. NAV Jan. 5 Prices at Jan. 11. Non Mar. (a)(c)(g) Barciays Unicarn Ltd. (a)(c)(g) 57. 01-534 5544 Unit Trust Account & Mgmt. Ltd. King William SL EC4R 94R 01-623 4952 -Phoenix International ------ Barclays Unicorn Ltd. Ψ (a)(c)(g) Unicorn Ho. 252, Romford Rd, ET. 01-534 5544 Unicorn Ho. 354 534 5544 Da. Auss. Inc. 46. 55.31 +0.3 0.62 Da. Auss. Inc. 46. 65.51 +0.3 1.67 Da. 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Ltd. 28.4 3.31 31.0 2.38 0624 2391 INSURANCE AND PROPERTY Ş 97.7 +0.2 2.66 35.9 +0.7 3.66 81.6 +0.7 4.66 -03 H.00 40.7 -0.1 1.71 523 +0.4 3.65 90.2 +0.1 5.06 43.0m +0.1 1.77 528 +0.4 1.98 Abbey Life Assurance Co. Ltd. 1-3 St. Paul's Churchyard, EC4. European 65,9 52,33,00,4 Far East 96,4 90,22,+0.1 N. Am 40,2 43,0m Labot Am, San 49,4 52,81,+0.4 Japan Jan, 12 101.0 105.01 M. Amerian Liz 126,22 -26,22 Smaller Cos. 196,6 103,71,-0.3 Hill Samuel Unit Tst. Mgrs.1 (2) 26,52 01,65 **Rothschild Asset Management (C.L)** Baring Brothers & Co., Ltd. (a)(a) 01-248 9111 Ol.248 POINT Construction PASSE Point Construction Linarter nouse Japanet 01-248 3999 1 Patternoster Row, EC4 01-248 3999 Adropa DN3880 32 40 Adropa DN3880 52 40 Fonds DN3720 34 00 Emperor Fund 5131 528 Hispane SU58212 44.25 01-568 2830 111 163 2 163 2 164 9 142 9 142 9 142 9 142 9 142 6 144 6 144 6 157 7 142 9 144 6 144 6 157 7 142 9 143 9 14 143 9 14 14 1 Bishepsgate Progressive Mgmt. Co.4 01-628-8017 01-628 8011 1420 -0.3 50 81.3 +07 261 98.9 -0.4 6.73 98.9 -0.4 6.73 28.9 -0.4 7.8 56.1 -0.1 5.35 31.9 0.55 P.O. Box 320, St. Helier, Jursey 0534 37361. Clive Gilt Fd. (C.I.) - 19.69 - 9.70 ----- 11.24 Clive Gilt Fd. (Jsy.) ---19.66 - 9.67 ------ 11.36 Rothschild Asset Mgt. (Bermoda) ... P.O. Box 664, Bit of Bermula Bid, Bern Reserve Assets Fd. 79.86 9.86 Price on Jac. 8. Next dealing Jan, 16. Albany Life Assurance Co. Ltd. 31, Old Burlington SL. W.1. 02. VEGuity Fd. Acc. 2000 2004 VPDurct Int. Arx. 1421 1495 VGGU Money & Acc. 1127 1495 VGGU Money & Acc. 1117.7 1228 VPTOL Fd. Arx. 111.8 117.4 VPTOL Fd. Arx. 111.8 127.5 VPTOL Fd. Arx. 111.8 127.5 VPTOL Fd. Arx. 112.8 127.5 VPTOL Fd. Arx. 113.8 127.4 VPTOL Fd. Arx. 113.8 127.4 VPTOL Fd. Arx. 113.8 127.4 VI Mon Pen Acc. 123.2 701.7 VI Mon Pen Acc. 123.2 171.7 VI Mon Pen Acc. 123.2 124.5 VI Mon Pen Acc. 123.2 124.5 Royal Trust (C.J.) Fd. Mgt. Ltd. 01-437 5962 Intel‡♥ (a)(g) DWS Beutsche Ges. F. Wertpapiersp. Save & Presper International 01-606 7070 77.4 -0.1 3.72 713 -0.4 5.41 1843 -0.4 102 83.8 -0.4 102 115 7 -0.1 5.61 - Dealing to: 37. Broad St., St. Hefler, Jersey. 0534 20593 Britannia Trust Management (2)(g) 3, London Wall Buildings, London Wall, London EC2M 50L 01-638 0478/0479 AMEV Life Assurance Ltd.V Refigure 153.8 +0.4 1255 +0.2 1117.8 +1.3 955 +0.2 105.8 107.5 105.0 tra Inconse -000 +000 +000 48-44 48-44 49 01-666 9171. +0.1 -+0.1 -+0.2 -+0.2 -+0.3 -+0.3 -+0.3 -+0.3 -+0.3 -+0.3 -+0.3 -+0.3 -Tst.Shares High Inc. Issue AMEV/Frantington 60 6 175.0 9 190.0 147.6 197.7 147.6 109.7 17.0 19.2 1.1 teas Change For Arrew Life Assurance see

Prices Jan. 10, Next dealing Jan, 17, Legal & General Tyrdall Fondy E Brown Skipley & Co. Ltd. V 18, Kitch Campbe Road, Kitch 0272 32241 Mngrs, Founders CL, EC2. 01-000 8520 III: New Jan Kitch 1027	Sarclaybonds*	Flerible Finance	Do. Persons 1 100-5 140.4 ~ NEL Pensions Ltd.	Solar Lett. P	Cent.Fd. Jan; 3	International Fanets E only
BS Units Dec. 11	International	Royal Escharge, E.C.3 01-2637107 Property Bonds 1 Hambro Life Assurance Limited# 01-4990051	Neier Man Acc. 68 4 720	Sun Alfiance Fund Mangust. Ltd. Sun Alfiance House, Horsham, 040364141 Exp. Fd. Inc. Jan. 10. (E153.2 _ 159.7]	Fidelity Wrid Fd	J. Henry Schroder Wagg & Co. Ltd. 120. Chemide EC2
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2-6 High St., Potters Bor, Herts. P. Bar 51122 Do. (Accume	Canada Life Assurance Co. 24 High St., Potters Bar, Hero. CaryEnhrd Jan. 2	Pen, Prop. Cao	Small Co's Fd. 104.1	Sun Life of Canada (UK) Lhd. 2,3,4, Cockson St., SW1Y 56H 01-970 5400 Maple Li, Mangd	37, rue Note-Dane, Lucenbourg Floming Jan, 9	20, Carmon SL, EC4. 01-248 9646 Dekafonds. 01-248 9646 Tokyo Tst. Dec. 27 5US40.50
Capel (James) Mngt. Ltd. (Color Control Contr	Carmon Assorance Ltd.9 , Otynsk Wy, Wember NA90NB. 01-932876 Smith Lats	Pen. 8.S. Can	Gin Edged Fd	Target Life Assurance Co. Ltd.	Butterfield Bidg., Handlino, Bermadi. NAV Dec. 31	P.O. Box 315, St. Heller, Jersey. 0534-71460 Commodity Trust
Princis on Jam. 3. New dealing date Jan. 17. American 487.7 51.9 -0.3 205 F. Princis on Jam. 3. New dealing date Jan. 17. Laccum Units1	Property Units [10 6]	Hearts of Oak Benefit Society 15-17, Taristoch Place, WC1H95M 01-367 5020 Hearts of Oak	M.mageri Fund	Target House, Gatchouse Road, Aylestuary, Bucks. Apresituary (0296) 5941 Marr. Fund Inc	Landon Agents for: Anchor B'Units	Generica HSe, Don Ho, SL Heller, JS, 033 21347 American Hull Ts
Do. Accum. Units	Toperty Accum. 101 - - - Ampt Accum. 1633 - - - - Ampt Accum. 1633 -	MLA Twe., Addiscompe Rd., Groy 01-686 4355 phraperty Units.,	Pearl Assurance (Unit Funds) Ltd. 752, Kief Holmen, WCIV7ER. 01-405 6441 Mauret Fund	Prod Int. Fa Inc. 100.5 705.8	Berry Pac Strig113.00 327.00 0.97 C.T. Asia Fd Studie 19 10.63 1.06 G.T. Asia Steriling14.35 15.17 G.T. Asia Steriling1539.88 10.27	Bagatetie Rd., SL. Saviour, Jersey. 0534 75494 1353 Jersey Fixed 18.9 156 Guerness Fond 14.9 Prices on Jan. 10. Next sub. day Jan. 17.
15, Moorgate, London, EG., 01-638 4121 [Accum Units:	Tri American	Money Units	Property Acade 1176 1218	Man Pen, Fd Azc	G.T. Bord Fund. US13.34m -001 G.T. Dollar Fd. US34.75 -001 G.T. Dollar Fd. 92 G.T. Pacific Fd. 105354.75 -001 G.T. Philippice Fd. US354.79 -001 G.T. Philippice Fd. US354.79 -001 G.T. Philippice Fd. US354.79 -001 G.T. Philippice Fd. US354.71 10.76+022 	TSB GR Fund Managers (C.J.J Ltd. Sapatele Rd, St. Savier, Jerzy, 0234 73494 158 GR Fond
T7 London Wall, EC2N 1DB, 01-588 1B15 Fund of Imr Tets. 50.7 61.2 40.1 57.3 23 Income Dec. 19 133.45	Mod. Pers:Acc 1051 1115 +0.2	Prr. Manageri Acc	Eb: Ph Ass	Guar Pen. Fd. Cap	Gartimore Invest. Ltd. Ldn. Agts. 2. St. Mary Ave, London, EC3. 01-283 9531 Gartimore Fund Mingt. (C.J.) Ltd. (a)(v) 41. Broad St., St. Heiner, Jersey 0534-7374) Gih Fund(Jersey)	Tekya Pacific Hokijagë N.V. Intimis Management Co. N.V., Coraca. NAV për share Jan. 8: \$1564.62. Tekya, Pacific Hidas. (Sepiseard) N.V.
Chieftain Trust Managers Ltd (a)(g) Japan [13.1 184.4m] +0.5 3.30 11. Rev St. EC2M 4TP. 01-283 2632 [Accum Units] [17.2] +0.5 3.30	Current value January II. Capital Life Assurance¥ .oniston House, Grappi Ash WTon. 0702 28511	Pris Frd Int.Acc	Property Grawth Assor. Co. Ltd. 9 Leon House, Croydon CR9 11.U. 01-050 0506	2 Bream Bidgs, EC4 1kV. 01405 6497 Virilip Invest, Fd	Gertinerre Fauel Menge: (Fare Exist) Link (au)on) 1503 Hettistem Hist, 10 Hancoset (Rt, H. Komp) HK & Pac, U. Trg.,	Intimity Management Co. N.V., Coracao, NAV per state Jan. 8. SUS47.08. Tyratell Crotos:
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Craigmount Unit Tst. Mgrs. Ltd. Machine Lane, EC2V 6HH 01-606 9262 ManuLite Manuelite	City of Westminster Assur. Co. Ltd. Innotaal House, & Whitehorse Road. Innotaal House, & Whitehorse Road. Innotaal Road	Cp.St.II Jan 1	Gill-Except Fund 120.7	Monry 126,7 133 4 International 127,2 136,8 Fraza 127,2 136,8 Growth Acc. 133,5 141,4 Growth Acc. 133,5 141,4 Fers. Mingl. Acc. 123,1 Pers. Chingl. Acc. 123,1 Pers. Chingl. Acc. 123,1 Pers. Mingl. Acc. 123,1 Pers. Pers. Pers	P.O. Box 36, Guerriser. 0480-26522. G.I. Fund	ALT: No. 14. 10. 11. 11. 5. 10.55
Graigmount Unit Tst. Mgrs. Ltd. Machine Law, ECZV 6HH 01-606 9262 Main Life Management Ltd. 7.8 or 148.5 m. 7.9 or 148.5 m.	City of Westminster Assur. Co. Ltd. Invatual House, & Whitehouse Road. 01-654 9664 Invotion ER0 ZIA 01-654 9664 Managed Fund	Cp.Scill Jan 1	Gill-Except Fund 120.7 Gill-Except B(A) 120.7 GRafter Annulty 155.5 International Fd 105.0 Frop, Growth Pensions & Annuities Ltd All Writer Ac. UIS 124.2 141.5 Yint Fd. UIS 124.2 Pension Fd. UIS 124.2 Grow, Pens Fd 135.7 Gow, Pens Fd 135.7 Man, Pens Fd 135.7 Man, Pens Fd 135.7 Man, Pens Fd 135.7 Man, Pens Fd 135.7	Monry 125.7 133.4 International 103.2 103.9 -0.1 Facal 124.2 136.8 - Growth Lacs 137.8 135.5 - Growth Acc 133.5 141.4 - Pers. Morgl Cas 116.7 123.6 - Pers. Morgl Cas 115.7 131.0 - Pers. Gat Dep. Las 105.1 111.3 - Pers. Gat Dep. Las 111.5 128.0 - Pers. Pry. Cas 111.5 133.6 - Pers. Pry. Cas 117.4 133.6 - Pers. Phy. Acc 126.7 133.8 - Pers. Prot. Bardi 57.1 7.9 - "Trdt. Bardi 57.1 7.1 - -	P.O. Box 86, Guerrisor. 04801-26522. G.I. Fond Statemeter. 04801-2566	Artin Sharija - 10 - 1135 - 114, 117 Artin Sharija - 118, 146 - 144, 147 Wictory Nesse, Dougha, Isle of Man. 0624 24311. Maraged Dec. 14 - (138, 4 - 154, 154, 154, 154, 154, 154, 154, 154,
Craignount Unit Tst. Mgrs. Ltd. Machine Law, EC2V 6HH OI-606 9262 Main Life Management Ltd. 72.6 74.6 7.76 9/10 Foster Law, EC2V 6HH OI-606 9262 Main Life Management Ltd. Main Life Management Ltd. 97.0 74.8 74.7 97.0 74.4 74.7 74.7 74.7 74.7 74.8 74.7 74.7 74.8 74.7 74.7 74.8 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7 74.7	City of Westminister Assur. Ca. Ltd. Invascal House, a Whitemore Road. 01-684 9664 Ness Prop Find	Cp. Sci. J. Jan. Cp. Sci. Jan.	Gill-Except Fund 120.7 Gill-Except B(A) 120.7 Green Annulty 153.5 international Fd 105.0 Purp, Growth Pensions & Annuities Ltd. All W UNEr AC, UIS 124.3 141.5 Min W Ther Cap. UIS 124.4 141.5 Prension Fd UIS 124.2 Prension Fd UIS 124.2 Corw. Purs. Fd 124.5 Corw. Purs. Fd 124.5 Man. Perns. Fd 134.5 Man. Perns. Fd 134.5 Prop.Pens. Cap. UL 134.5 Boog. Soc. Pen. UL 134.5 Boog. Soc. Cap. UL 124.4 Biog. Soc. Cap. UL 124.5 Proputience Capitof Life Ass. Ca. Ltd. D0 Usbridge Road. W12 BPG	Monry 126.7 133.4 International 103.2 103.3	P.G. Box 86, Guernser, 0480-26522, G.I. Fond 148.9 158.6 370 Innel Borrd 112,000 97 104 094 105 Innel Borrd 112,000 97 104 095 Innel Borrd 120,000 97 104 095 Innel Borrd 120,000 97 104 095 Innel Borrd 120,000 97 104 095 Borrd I and 17,005 105 Borrd I and 17,005 105 Innel Borrd 120,000 407 10 072 Innel Borrd 120,000 407 10 072 Innel Borrd 120,000 100 100 Innel Borrd 120,000 100 Innel Borrd 120,000 Innel Bor	Artin Shrift 2019 11 5 10 10 1 11 5 10 10 10 11 11 15 11 15 10 10 10 10 10 10 10 10 10 10 10 10 10
Craignount Unit Tst. Mgrs. Ltd. (ACCM, Units)	City of Westminster Assur. Ca. Ltd. Invatual House, & Whitemore Road. 01-659 9664 Nest Prop Fund	Cp. Sci. J Jan. 1	Gill-Except Fund 120.7 Gill-Except FD (A) 120.7 GRafter Annulty 120.7 Grafter Annulty 155.5 International Fd 155.5 Frep, Growth Pensions & Amanifies Ltd. All Wurer Ac. UIS 124.4 141.5 Yinr, Fd. UIS. 1242.4 Prov. Growth Pensions & Amanifies Ltd. All Wurer Ac. UIS 124.4 141.5 Prov. Fd 135.7 Down, Pens. Fd 135.7 Prov. Fd 135.7 Prov. Fd 135.7 Prov. Pens. Car. UI 136.0 Man. Pens. Car. UI 136.7 Man. Pens. Car. UI 136.1 Man. Pens. Car. UI 136.1 Man. Pens. Car. UI 136.4 Providence Capitot Life Ass. Ce. Ltd. Sol. Min. Fd. Car. 101.0 206.7 Pensvidence Capitot Life Ass. Ce. Ltd. Sol. Min. Fd. Std	Monry [26,7] 133 4 International [032 103 1 Facal [242 136 8 Growth Lac. [27,8] 135 3 Growth Acc. [33,5] 141 4 Pers. Margd. Cas. [16,7] 131 6 Pers. Margd. Cas. [16,7] 131 6 Pers. Margd. Cas. [115,7] 131 0 Pers. Gaul. Dep. Cas. [115,7] 132 0 Pers. Gaul. Dep. Cas. [115,7] 132 0 Pers. Fly. Cas. [115,7] 132 0 Pers. Proc. Cas. [126,7] 133 8 Marger Cas. [115,7] 132 0 Pers. Proc. Cas. [126,7] 132 0 Tord. Bord. 77 2 72 372 1 Cash value for £100 premium. 777 372 372 372 372 372 372 372 372 372	P.G. Box 86, Guernser, 0880-26522 G.I. Ford Strand	Carlin, Shares,
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Financial Times Monday January 15 1979

NEW ISSUE

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Verlisement and cars as a matter of record only is have been sold outside the United States of America and the Net

10th January, 1979



U.S. \$84,000,000

BBC Brown Boveri Finance (Curaçao) N.V. (Incorporated with limited liability in the Netherlands Antilles)

80,000 41 per cent. Guaranteed Convertible Bonds due 1993 of U.S. \$1,050 principal amount each

convertible into

rer Participation Certificates of Sfr. 100 par value each itially at the rate of five Bearer Participation Certificates for each Bond)

and unconditionally guaranteed by

BBC Brown, Boveri & Company, Limited

Union Bank of Switzerland (Securities) Limited Swiss Bank Corporation (Overseas) Limited

Credit Snisse First Boston Limited

Abs Dhahl Investment Ca Bank Noderland N.V. A. E. Aues & Co. Ltd. Ansterdam-Rotterdam Bank N.V. sele Italiane Banca Nazionale del Lavoro -Bask of America International Limited and Julius Base International Limited The Bank of Bermuda Ltd. Bask of Heisleki Limited Bank Les International Limited Trast International Limited Banque Arabe et Internationale d'Investigaement (R.A.LI.) Banque Brunelles Lambert S.A. dise du Commerce Ext Banque de l'Indochine et de Seez Banque Nationala de Paris Bangan do Paris et des Pays-Bas . Bangao de Paris et des Pays-Bas (Suinse) S.A. Bonquo Populaire Saisse S.A. Loxenboury e de Flision Farmatania Baring Brothers & Co., Limited Bayerische Landes ther Hundels and Frankfaster Bank ... B.S.L. Underwriters Limited Bargan Bank S.A.K.-Kawait Borns Fry Limited Caime des Dépôts et Consignations Okase Manhattan Limited Chemical Bank International Limit mel Group ank Aktien cellschaft. Can County Bank Limited Crédit Industriel et Commercial ciel de France Crédit Lyonneis Credita Italian Bunk af 1871 Aktieselskab Des Das Det norske Credithack Deutsche Bank Aktiengenenflechaft che Girozentrale-Deutsche Ros atsche Länderbank Aktienges Dreadner Bank Aktienresellechaft nilel S.A. . Euromobiliare S.p.A. European Banking Company Limited Robert Fleming & Co. Limited afiliche Zestralbank AG Vienst Girozentrale und Bank der österreichischen Sp orn Aktienerseilerbaff ant des Danoniers Prives Genevois Hambros Bank Limited nk N.W. (Overscar) Limiter Hill Second & Co. Limited Istituto Bancario San Paolo di Torino Kansallis-Osako-Pankid Klider, Peabody International Limited .: Kielswort, Benson Limited Lazard Frères et Cie. Kennit In iment Company (S.A.K.) Manufacturers Hanever Limited Merrill Lynch International & Co. Samuel Montage & Co. Limited Margan Grenfell & Co. Limited Morgan Stanley International Limited Nonsura Europe N.V. Orion Ba PKhanker thanken Aktientsich Privatienik & Vervaltungsgesellschaft Rothschild Bank AG A/Senda & Cle J. Henry Schroder Wagg & Co. Limited Skandingvicks Easthilds Bonkey ey, Harth Uphan, S.A. Societa En mith R. miaria Assicurativa (RAS-Gross) Societ nealre Barclays (Overseas) Limited Société Générale de Banque S.A. Strames, Taraball & Co. Verbend Schweizerischer Kantonel ica Handelshapker J. Vantabel & Co. S. G. Wathar & Co. Lid. Westdeutsche Landeshank Giovrentrale Wood Comiy Limited

This Announcement appears as a matter of record only

Ing. C. Olivetti & C., S.p.A.,

Ivrea, Italy

U.S. \$100,000,000

Eight Year Credit Facility

Provided by

Commerzbank Aktiengesellschaft Deutsche Länderbank Aktiengesellschaft

Under a Participation Agreement with

Commerzbank International S.A. Union de Banques Suisses (Luxembourg) S.A.

Amsterdam-Rotterdam Bank N.V. **Bank of Montreal Deutsche Bank** Compagnie Financiere Luxembourg

Istituto Bancario San Paolo di Torino Lloyds Bank International Limited

Morgan Guaranty Trust Company of New York

Agent

Commerzbank Aktiengesellschaft

Adviser to the Company

Union Bank of Switzerland (Securities) Limited

This Announcement appears as a matter of record only.



This Announcement appears as a matter of record only. These Bonds have been placed outside the United States of America.

PRIVATE PLACEMENT

4th January, 1979

US \$25,000,000

European Investment Bank

93% Bonds due 1991

Issue Price 993%

These Bonds were underwritten and placed by

Union Bank of Switzerland (Securities) Limited

Ardal og Sunndal Verk a.s.

(Incorporated with limited liability under Norwegian law)

U.S. \$50,000,000

Ten Year Multi-currency Term Loan

Union Bank of Switzerland (Securities) Limited Scandinavian Bank Limited as Co-ordinator

> Bergen Bank as Adviser to the Company

> > Provided by

Union Bank of Switzerland

Bergen Bank

Deutsche Bank Compagnie Financiere Luxembourg

Midland Bank Limited

Orion Bank Limited

The Chase Manhattan Bank N.A.

Scandinavian Bank Limited

as Agent

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IF YOU DEMAND RESOURCEFULNESS.

Consult the IBJ Banking Group in Europe.

Landon.

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The Industrial Bank of Japan maintains o Londan Branch office which undertokes a complete range of bonking services. In odditian, IBJ aperates IBJ International Limited, a whollyawned merchant banking entity which arranges term loans and provides underwriting ond advisory services.

Frankfurt.

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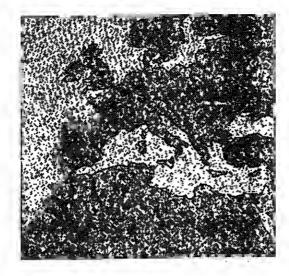
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The Civil Service comes under scrutiny

BY PAUL TAYLOR

THE HOUSE of Commons will today debate the merits of the more radical changes to the structure and working of the Civil Service and its relationship to Government and Parliament proposed by a committee of backbench MPs.

The public image of the Civil Service as some form of mono-lithic and bureaucratic monster beyond the control of MPs and Ministers is both widely held-and potent. However, this unfortunate role in which the Civil Service and therefore the 500,000 non-industrial civil servants - is often cast depends more for its exis-tence on continued, repeti-tion rather than on detailed scrutiny. For this reason the full scale Parliamentary debate on the service-the first for more than 30 years with the exception of the debate on the Fulton Report in 1968—is wel-comed by both Government and he service as a chance to correct misapprehensions.

The Government for its part will attempt to rectify the Civil Service's image while also justifying its own decision to opt for a considered pace of change in the relationship between Parliament, Government and the service rather than rush into the more radical approach sought by some MPs on both sides of the House

The level of public expenditure handled by the service, currently about £42bn a year, and the underlying public and Parliamentary suspicion of both Government and Civil Service should ensure a lively debate. When the influential Commons Expenditure Committee, under the chairmanship of Mr. Michael English, MP. published its 11th report in September, 1977, it was the first time for 104 years that a Commons Select Committee had investigated the service as a whole.

In spite of the widely publicised minority report prepared by Mr. Brian Sedgemore. MP, notorious for its extreme language—it referred to "re-actionaries" and a "Vichy mentality" in the Civil Service -the over-riding concern expressed by the committee was a fear that the service had outgrown Perliament and was capable of usurping the power of MPs and the Government.

The central issues raised by the committee were ones of financial and political accountability, managerial efficiency and the way Whitehall worked. Since the publication of the



Expenditure Committee.

report the Government has gone as the domination of Ministers B long way to accepting and by the service, and which has implementing many of the led to the so called "conspiracy recommendations, particularly myth" which holds that in the areas of efficiency and Ministers' Intentions are frusfinancial control, recruitment trated by "the mandarins." and training. Of the 54 recom It is accepted however, by mendations made by the com- both government and the Civil mittee, 34 have been partly or. Service. that on occasions wholly accepted, 11 were re-political expediency may con-jected and the remainder are flict with efficient management: as shown in the growing prostill under consideration. liferation of complex Supplementary Benefits.

Misconceptions

Government Ministers and senior civil servants accept that fundamental chauges sought by the image of the service as an the committee were based on an all powerful bureancracy is unspoken hankering by some MPs for a U.S. style congresboth widely held and is even understandable, However they sional committee system to investigate the action of, government. This is perhaps highlighted by the committee's. consider such a view is based. on a series of misconceptions. They argue that far from being suggestion that special backsingle unit the Servicebench committees should be set up to monitor the performance divided as It is into departments with separate political masters -is a relatively amorphous hody which responds and of individual departments and make civil servants accountable advises but has no central political will of its own. ance As evidence they point to such task.

cases as the well publicised debate about the abolition of Vehicle Excise Duty when Ministers were at loggerheads with each other and so were Department officials.

It is the "creative tension" sibility. between Ministers with political objectives and civil servants administrative duties with

service under the close scrutiny of the Government. It also drea the distinction between the res. ponsibility of the service to the Government and that of the Government, through Ministers to Parliament. Any extension of the accountability of civil servants, it was argued, must tak account of the over-riding res-ponsibility of departmental Ministers for the work and efficiency of their departments

This was regarded by the committee in its 12th report as an implicit rejection of its preposals - However, the question of Parliamentary committee structure has been examined by the House Select Committee on Procedure, Although the report-bas not yet been published there are signs that neither u Government, nor the service would be totally opposed to revamping the committee structure to give backbenchers greater access to Ministers proreview legislation, did not proliferate and did not result in too much overstretching of ministerial workloads.

The English committee report was prefaced by the comment that the recommendations were designed to "help the Civil Service do a good job better." However following the publics. tion of the White Paper the committee responded saving "we believe that our Repor made a modest and reasoned attempt to increase the account ability of the Executive to the House of Commons and we regret it did not receive a morfavourable response."

In answer to the critics. Mr Charles Morris, Civil Service Mnister, is likely to argue the the pace of change in the relationship between Perliamer and the Executive depends not only on whether such change are desirable but also on the de-stabilising effects of rapid change.

To argue, as the committee did in its 12th report, that the Government has neatly side to the public for the perform - Government has neatly side ance of their administrative stepped the fundamental ar most controverslal proposals both obvious and true though changes demand lengthier consideration. The Government is decisions. To do nothing would merely reinforce the belief, per





However, the Government suggests that parallels between the perhaps a little unfair because U.S. and, UK systems are in- clearly the more fundamental U.S. and, UK systems are in-appropriate because the U.S. system does not feature the

There is also a feeling within

hall that some of the more

doctrine of ministerial respon- faced with a series of difficu The Government in its White Paper reply to the English com- haps beld more strongly within mittee report was based on the the Left wing of the Labour which it is claimed, was mis- assumption that the country is Party, that the service is can interpreted by the committee best served by a non-political able of wagging its master's bit

Financial Times Monday January 15 1979

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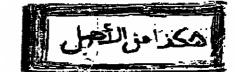
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BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

Date International Toy Fair (01-226 6655) (until Current Jan. 17)-Stationery Industry Exhibition-STATINDEX Exhibition Centre, Harrogate Current 01-580 9256) funtil Jan. 17) Micro-Electronics for the TV Industry-TV-MEX (01-496 1951). Grosvenor Hnuse, W1 Jan. 16-18

(01-486 1851). International Bonnestic Electric Appliquers Exbu. —IDEA (01-486 1951). Lightshew 79 (0248 56386) Londou Catering Fair (0428 52785) Gruff's Dog Show (01-498 6651) Catering, Licensed Frade, Hotel and Club Exbs. (0202-21812) Jan. 15-18 Jau 28-Feb 1 Eeb 6-8 Feb 9-10 Feb 13-15 Peb. 18-22

International Men's and Boy's Wear Exhibition MBEX (021-705 6707) Photography at Work Exhibition (01-668 7788) Pep. 19-22 OVERSEAS TRADE FAIRS AND

Inti. Trade Fair, Motor Workshop and Gasoline Station Equipment—AUTO-ZUM International Boat Show—BOOT (07-409 6656) International Audiovisual & Communications Shew Internati. Sweets and Biscuits Fair (01-409 0956) AIRMEC 79—The Aircraft Mainténance Meu's Exbu. (St. Albans 63213) International Terr Evolution (01 420 2064)

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Cavendish Centre, W1

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Whites Hotel, W2

Europa Hetel. W1

Dorchester Hotel, W1

Sudbury House, EC1

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New Delhi

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Zurich Paris

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BUSINESS AND MANAGEMENT CONFERENCES Corrept

RRG: Risk Management in Practice-Study Course (01-238 2175) (until Jan. 19) IPM: Advanced Interviewing and Assessment Skills (01-387 2344) (until Jan. 19) Bradford University: Group and Personal Effective-ness: Skill, with People (Bradford 42299) (until Jan. 19) Bradford University: Managing Management Development (Bradford 42298) (until Jan. 19) Philip Thorn Associates: Legal and Banking Environment for Foreign Banks in U.S. (Guildford 71986) IPS:: Industrial Fasteners-How to get value for money (Ascot 23711)

money (Ascot 23711) CCC: Expediting Successful Claims in Construcuou (01 222 6362)

Europa Hotel, W1 tion (01-222 6362) ASM: Practical Aspects of Work Study-Method Study and Work Measurement (01-385 1982) The Henley Centre for Forecasting: Forecasts for Carporate Plans to 1984 (01-251 3841) GAEC: Export Finance, Export: Services and the Astronomic Finance, Export: Services and the RAC Club, SW1

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Café Royal, W1

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Ashridge Management College: The Essentials of Management Accounting (044 284 3491)
Institute of Personnel Management: The Elements of Salary Administration (01-387 2844)
Oyez-IBC: Presenting 1978/1979 Accounts—The options available (01-242 2481)
Inbucon: National Policy and Pay Restructuring (01-584 6171)
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Investment and Property Studies: The Advantages of Unlimited Companies for the Professional Practice (01-242 2481)
IPM: Foundations of Good Industrial Relations

Jan. 22-25

Royal Lancaster Holel, W2 IPM; Foundations of Good Industrial Relations Whites Hotel. W2

Tan. 30. Executant Conferences: Product Laability

(0494,58171). Twn. 30-31 FT Conference: Business in the Gulf (01-286 4382) Bull Hotel, Gerrards Cross Grosvenor House, W1

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WEEK'S FINANCIAL DIARY The following is a record of the principal business and finaocial engagements during the week The Board meetings are mainly for the purpose of coosidering dividends and official indications are not always available whether dividends concerned are interims or floals. THURSOAY, JAN, 18 COMPANY MEETINGS---Ranzame Hofmann Pollard Ousgling's Bury Street, 51 Janua's, 5W, 12 Bioard Milet Nasen SI, Edinbargh, 12. BOARD MEETINGS---TODAY COMPANY MEETINGS... Trainled Hoese. 14-23 SI Mare Are. E.C. 11 30 W. Ribbans The Eligabeth Sulle. Barrington Hoase. 59-87 Greatism Street L.C., 12 Bioland meetings Pipils Associated Paper inps. Beristori (S. and W. Denbyware Gast Despatonien Mines Grand Metropolitab Lucroft Kigopa MacKlonon of Scotland Construct National Exhibition Centre, BOARD MEETINGS-Birmingham National Exhibition Centre, Finats: Great Northern Ins Trus Jikra Rubbor Plantatigos Mespitir Hidgs Noriolk Lapital Gp Interimar Highgare Optical and Ino. Howard Shistering Regional Proporties Restmor Birminghan Mackinson Soptival United Guaranier Vaal Recis Exol. and Mining Warner Estma Western Deep Lovals New Horticultural Hall Earls Court Restmor DIVIDEND & INTE908T PAYMENTS-Apricalizard Mortaege Coron Elect Ob TOD2-D4 31mgt 5-pcDb. 1980-5 21mgt StracDb. 1983-95 21mgt Assoc. Elect. IndS. Do. 31mgt Assoc. Elect. IndS. Do. 31mgt Assoc. Elect. IndS. Do. 31mgt Bingadstone Inds. Ln. 44.pc Bell Canads 114 fer3 Bingadstone Inds. Ln. 44.pc Bingadstone Inds. Ln. 44.pc Bingadstone Inds. Ln. 44.pc Canden 12-bc Red 1985 £3,5487 Canden 12-bc Red 1985 £3,5487 Corooration pi Longon 51:pc 1980-82 -31.02 Weigern Derb Livial DIVIDEND & INTEREST PAYMENTS-Aberdeen B 3pc Bds. Rod. 114.1.811 47Mpc Associated with the second Wembley Conference Centre EXHIBITIONS City Differs A spectral of State 1980-82 Strate Constraint of Longon 6120C 1980-82 314pc Cessfi Ln. Spc Editourgen Inv Tst Dbs 11; 2140C Fluor Corren 55 cents Fancting 517pc 1982-84 214pc General Strates Invast. Tst. Spc P1 1 T5pc. Differs 21805 Invast. Tst. Spc P1 1 T5pc. Differs 21805 Invast. Tst. Spc P1 1 T5pc. Invast. And Genaral Tst. Db. 1-7pc 1Cnv 1 Intil Thomson Orp 1wvin altacesd 10 shares of Thotsason Britishi 5 cents Cnv.Red Pt. 5.25pc Law Lang Spc P1 977-7D 3 400 Kleen-2-26 0.8759 Kleen-2-26 0.8759 Moordate Invest. 1.750 Moordate Invest. 1.750 Div Spc P1 987-84 Notable Spc P1 987-84 Spc P1 987-94 Notable Spc P1 987-84 Spc P1 987-94 Nortable Spc P1 987-84 Spc P1 987-94 Nortable Spc P1 985 6:pc 125 Second Great Northorn Invest. 730.080 Spc P1 974 Spc P1 975 Second Great Northorn Invest. 730.080 Spc P1 974 Spc P1 975 Second Great Northorn Invest. 730.080 Spc P1 975 Second Great Northorn Invest. 730.080 Spc P1 975 Second Great Northorn Invest. 730.080 Spc P1 975 FRIDAY JAN. 19 Highgete House. Creatoe, Northampton BOARO MEETINGS-Management Ceotre, Bradford Heaton Mount, Bradford Kensington Close Hotel, WS Scottan weatan invest a port 1.5135t. 10. 3pc Second Great Northorn Invest. Tal. 0.8p Selection Treat. 5p Treasury LA. 94:pc 109D 4.4pc. 8:rpc 1989-82 4:soc Treasury 13pc 1990 8:spc. 11:cpc 108t Stapc United Oceana Prog.Pt Soc William Inv, 3.4pcPt 1 Tor TOMORROW Bridport Gundry, The Cpert. Bridport. Dofset t 2 Carr i Johni, Wetch Hoese Lone. Don-castar. 11. Castar JJohni. Weith norse unit. Ladds and District Dvar's and Finishets. Tha Post Hesse Bramhope, Leeds. 12. Multhead Hyde Park Hotel. W.C. 11.15. RDARO MEETINGS-Fibals: McMallee McMallee DGB Group Tridant Talevision Tridant Talevision OlVIDEND & INTEREST PAYMENTS-AHiance Invesis. 1950 Angle American Secs. 41-DeP1, 1575DC Hasterrood Pioprietary 1850 Motorola 30Cts Monthern Ind. Improvemant Tst TP United Gas Iodasts. 1.1055p Brunel University, Uxbridge WEONESDAY JAN. 17 COMPANY MEETINGS-Janson Trust. Alertorn Roi Eastarn Holel. E.C. 11.39, 80A9D MEETINGS-Finalat Royal Garden Hetel, WS Great Ashridge College. Berkhamsted Angia Telavisioo Brooke Tool Engloeering Countryside Props. Goagh Cooper Henivs Lookers 5 American Invest. r Clark Metal States and Genetal Trest

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NOTICE OF REDEMPTION

To the Holders of

Plywood-Champion International **Finance** Company

51/4 % Convertible Guaranteed Debentures due 1983

NOTICE 15 HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1968 providing for the above Debentures, S216,000 prioripal amount of said Debentures have been selected for redemption on February 15, 1979 1the "Redemption Date" I, through operation of the Sinking Fued at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, as inlines:

> Those outstanding Debentures of \$1.000 each of prefix "M" bearing numbers ending in the following two digits: 24 4D 51 63 72 '75 8D 91 92

And outstanding Debentures of prefix "M" bearing the fellowing numbers: 759 1059 1559 1659 2759 3559 3959 4359 5359 6259 6559 6859 7059 7159 7339 7759

On February 15, 1979, the Debentures designated above will become due and payable in such coin nr currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the Redemption Date, at the option of the holder either (a) at the corporate trust office of Morgan Gobranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015. or the st the main officer of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main. London or Paris; Banca Vonwiller & C. S.p.A. in Milan; Banque Bruselles Lambert S.A. in Brussels: and Bapque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred in in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City. Coupons due February 15, 1979 should be rictached and collected in the usual manner.

On and after February 15. 1979 interest shall cease to accrue on the Debenlures herein designated

Debentures are presently coovertible into Common Stock of Champion International. Inc. (formerly U.S. Plywood-Clampico Papers Inc.), at the offices mentioned above, at the rate of 37.58 shares of such Common Slock for each \$1.000 principal amount of Dehentures. The right to convert any of the above Debentures called for redemption will expire at the close of

business on the Redemption Date.

Plywood-Champion International Finance Company

CONTRACTS AND TENDERS PLANT&MACHINERY SALES Tender Announcement for Telephone Nominated Sub-Contracts ROLLING MILLS 5in x 12in x 10in wide variable speed Four High Mill. The Gevennment of the State of Qetat will shortly invite bids for the Neminated Sub-Centracts for the University of Qeter which is situated epiroximately 5 km nerth of Oelie 3.5in x 8in x 9in wide variable speed Four High Mill, 10in x 16in wide fixed speed Two High Mill. The University comprises approximately 73,060 square metres of low the scatemic buildings of high quality located, on a 14 hectars dite. 10in x 12in wide fixed speed Two High Mill. 17in x 30in wide fixed speed Two High Mill. 0962 42541/2/3 The Seb-Contracts will comprise: 24In x 36in wide x 300 HP Two High Mill. Telex 336414 1. Engineering Systems 1970 CUT-to-LENGTH max capacity 1.000 mm 2 mm x 7 tonnes coil fully overhauled and in excellent condition. 0902 42541/2/3 A Mechanical. Telex 336414 B. Electricat STRIP FLATTEN AND CUT-TO-LENGTH LINE 0902 42541/2/3 2. Architectural Finishes

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Heng Kong Rep. Office: 702 China Building, 29 Queen's Road Cantral, Hong Kong

Toronto Rep Office : Royal Bank Plaze South Tower, Suite 3040, Terento, Ontario M5J 2J2, Canada

Y.

by A.R.M. Max. capacity 750 mm x 3 mm. FARMER NORTON 18in WIDE CUT-TO-LENGTH LINE, Max. capacity 15in x 10 s.w.g. RWF TWO-STAND WIRE FLATTENING AND STRIP ROLLING LINE, IOin x 8in rolls x 75 hp per roll stand. Complete with edging rolls. turk'n head. flaking and fixed recoiler. zir rauging, etc. Variable line speed. 0/750ft/min and 0/1.500 ft/min.

Description

SLITTING LINES (2) 300 mm and 500 mm capacity. 8 BLOCK (400 mm) IN LINE, NON-SLIP WIRE DRAWING machine in excellent condition.

0/2.000 ft/min verlable speed. 10 h.p. per block (1968). 24in DIAMETER HORIZONTAL BULL BLOCK by Farmer Norton (1972). PACEMAKER SIX BLOCK (22in x 25 h.p.)

variable speed Wire Drawing Machine by Marshall Richards. 15 Die M54 WIRE DRAWING MACHINES,

5.000 ft/min with spoolers by Marshall Richards. DIE 1.750 ft/min SLIP TYPE ROD DRAWING MACHINE equipped with 3 speed 200 h.p. drive 20in. Horizontal Draw Blocks. 22in Vertical Collectine Block and 1.000 Ib Spooler. (Max. inlet 9 mm finishing down

to 16 mm copper and aluminium). and 9 ROLL FLATTENING & LEVELLING MACHINES, 20in, 36in & 72in wide 100 TON CAPACITY COINING PRESS by

Taylor & Chellen virtually unused-fully automacic 160 s.p.m. x 24 mm stroke. HYDRAULIC SCRAP BALING PRESS by Fielding and Platt. 85 ton main ram TYPE 10004R CINCINNATI PLATE SHEAR.

max, capacity 1,250 mm x 25 mm M.S. Plete, complete with full tange of spares. No. 1 FICE SHEAR, max. capacity 50 rem rounds. 75 mm x 35 mm bar. 400 mm x 10 mm flats I snore shoer blades). CAYMAN ALLIGATOR SHEAR, mex. capacity 90 mm rounds, 300 mm x 40 mm bar and 600 mm x 16 mm flats (spare sheer blades).

CINCINNATI GUILLOTINE 2.500 mm x 3 mm capacity complete with magnetic sheet monts and motorised back st 1974 FULLY AUTOMATED COLD SAW hy Noble & Lund with batch control. 3 CWT MASSEY FORGING HAMMER-DREAMACTIC single blow. COLE MOBILE YARD CRANE, 6-ton capacity

lattice jib. WALDRICH COBURG HYDRAULIC PLANER capacity 160in x 50in x 50in. Almost new 4,000 TON HYDRAULIC PRESS. Upscroke between columns 92in x 57in daylight 51in.

UPSET FORGING MACHINE 4in dia. 750 tons upset pressure WICKMAN 24in 65P AUYOMATICS 1961 and 1963. EXCELLENT CONDITION CINCINNATI CENTRELESS GRINDER

LINDNER JIG BORER, very accurace. 1500 TON CLEARING DA PRESS

Bed 140" x 96". 201 TON VIEKERS CLEARING PRESS 8ed 36" x 40" Ait Clutch & Brake as new 200 TON SCHULER HIGH SPEED PRESS Double roll feed, excellent. WICKMAN 2}" 6SP AUTOMATIC,

recorditioned. LUMSDEN GRINDER 36" die magnetic chuck. NATIONAL COLD HEADER " dis., recon.

200 TON TAYLOR & CHALLEN DEEP DRAWING PRESS, excellent condition DEFMOR HEAVY DUTY LATHE 38" dia. x . IOft. well equipped, reconditioned. CINCINNATI No. 3 HORIZONTAL MILL rebuilt. -

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INDEX B30 AUTOMATIC, rebuilt. 26" dia × 14ft Spindle Bore 51"

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with an desumed commercement deto ni March 1979 It is the intention to unite bids how a soloci fist of pro-quelified bidders at deles which are appropriate in lotting sub-contracto for each of the construction elements listed above Tenders will be valid for 90 days alies sabmission. Tender and performance bonds will be repured. All sub-contracte will be let on a fixed-price basis.

TURKISH STATE RAILWAYS (TCDD)

The Chairmanship of Central Purchasing and Sales Commission Ankara — Gar/TURKEY

Tenders are invited for 11 DIESEL GENERATOR SETS of which the technical features are written in the specifications

1 — The above items are in be purchased through blds received from countries which are members of the World Bank and Switzerland.

2-The bidding documents prepared for this purpose in Turkish and English can be purchased from TCDD's Central Cash Office in Ankara and Sirkeci Cash Office in Istanbul at a price of TL 350.

3 - The bids should be received by or handed m person to our commission not later than January 31, 1979. at 1500 hours, for a meeting at TCDD Supply Department on that date. 4-TCDD shall be completely free whether to award contract(s) for all or some of the items

to any bidder at its sole discretion.

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INDUSTRIAL AND COMMERCIAL CONSTRUCTION Great people to build with	FT SHARE	INFORMATIO	N SERVICE	FOOD, GROCERIES Cont. Dividends Paid Stook Price II Net Cont Free Apr. Sept. Fischer (2) 30-1 10 - 32 10 (25 1 44 - 96 1 44 Mar. Sept. Fischer (2) 30-1 50 - 78 4 11 1 51 0 4 38 Nov. Apr. Class. Glover 50 - 73 - 74 7 1 25 - 29 8 1 6 4
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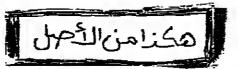
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Monday January 15, 1979

FINANCIAL TIMES

EEC move to check state aid to industry

BY GILES MERRITT IN BRUSSELS

CONTROVERSIAL

At their meeting on Janu-ary 24 the 13 commissioners are to discuss the unilateral imposi-tion by the Commission of a directive that would force the governments of the Nine to tion by the Commission of a public enterprizes. directive that would force the public enterprizes. governments of the Nine to industry would not be affected notify Brussels of their financial transfers to public enterprises. transfers to public enterprises.

so far unusad Article 90. which empowers the Commission to by-pass the Council of Ministers and introduce its own directives the Seld of public undertak-setions of the Brussels Com-mission see the initiative as a means of encouraging the rationalisation of over-capacity

The use of Article 90 would, however, almost certaioly result in an open clash between the Commission and the French, Italian and British governments, munity over the Commission's role and powers. Britain. France and ftaly have

already made it clear in three meatings with the Commission that the present draft directive is wholty unacceptable.

CONTROVERSIAL move phase leading to the Commis- Backing for the Commission's would directly challenge sion's further use of Article 90 draft directive-which would member governments' to impose powers under which entail pre-notification to

such international industries as The plan enviages taking advantage of the Rome Treaty's so far unusad Article 90. which It is also understood that some

Commission lawvers are studying the possibility of including coal and steelincluding coal and steel-covered separately by the Treaty of Paris-in the sectors that and could easily spark a damag- would be covered by the new ing row throughout the Com- directive. Posts and telecommunications services, electricity,

railways and airlines bave been exempted. Oil and gas are included, however, despite determined Britisb efforts to have them dropped from a list that in different

governments would countenance the European Commission's use of Article 90 remains to be seen. France, Italy and the UK are examining legat doubts that surround it. The Commission may instead employ Article 94 to avoid a political debate on its powers.

Article 94 provides for the Council of Ministers to rule on Commission proposal hy a qualified majority and was the procedure used in March 1977 to pass the fourth directive nn competition policy that gave Brussels the power to vet direct Community aids to sbipbuilding industries.

of view. the difficulty with Article 94 is that opposition from three of the EEC's four iargest members would prob-All three governments see countries ranges from the motor ably preclude a qualified the nolification procedure as a and aircraft industries to ship-comparatively short interim building and banking. 58 in the Council.

Braniff expects to increase **Concorde** flights

aircraft.

domestic operator, Continental

aircraft and also because only

complex maintenance work.

BY MICHAEL DONNE IN DALLAS

BRANIFF, the U.S. inter-New York and Bahrain, and national airline, which began now also to Dallas/Fort Worth, joint Concorde services with with flights to Singapore jointly British Airways and Air with Singapore Airlines resum-France between Washington and Dallas/Fort Worth in Texas last Friday is planning to expaod its Concorde operations this

vear. fts main aim is to begin Con-corde supersonic flights corde supersonic flights between New York and points on its South American network such as Lima and Santiago via Panama City. Another possible route is Los Angeles to Lima. The airline believes that these could be ideal Concorde routes involving mostly supersonic flights with only a brief subsonic sector across the Isthmus of Panama, after a refuelling stop in Panama City.

No date bas been fixed for these new Concorde operations. Braniff wants to "get the feal" ommunity aids to sbipbuilding of Concorde for a few months dustries. on lts sub-sonic Wasbiogton to From the Commission's point Dallas/Fort Worth sector before committing itself. But both Mr. Harding Lawrence, the chairman of

Braniff, aod Mr. Russel Theyer. the president and chief operat-ing officer of the airline, bave told me here over the last few

days that it is not a question Britisb Airways says that its of whether the airline expands agreement with Braniff is its Concorde activities hut when. expected to raise the number British Airways says that its agreement with Braniff is One of the restraining factors of passengers on each is the availability of aircraft. Washington to London trans-British Alrways is already atlantic sector to an average of extensively committed with its 80 for each flight and produce fleet of five aircraft on its an extra £3.3m of revenue a existing routes to Washington, year,

Heinz to phase out factory at Wigan

BY RHYS DAVID

HEINZ is to phase out its Siandish factory at Wigan, where L150 people are employed, in order to concentrate its northern production at Kitt Green, another plant in the town.

The closure will take place over three years and redundancies will be redoced by afucal

The company says the closure is necessary to reduce overhead costs.

Heinz, like other food manufacturers, has been affected by sluggisb demand, particularly for convenience foods, and by price competition and over-capacity within the industry. Other cuts are including closure of some administration and warehouse operations. The Standish plant. was bought in 1946 and was originally intended for closure after lbe opening of the Kitt Green plant in 1959. The buildings are now considered unsuitable and the equipment outdated.

THE LEX COLUMN **Computerising the** gilts market

PRESENT VALUE FUNCTIONS

in the GALT EDGED MARKET

OLI FUTURE CAPITAL

HWHEIT

RYEN

TERM DI YEARS

same date).

In the gilt-edged market it is only a short step from mathe-matical innovation to commer-cial exploitation. Last week

cial exploitation. Last week brokers de Zoete and Bevan launebed their new gilt-edged ing on January 24. Braniff is, therefore, showing considerable interest in the possibility of Britisb Alrways price model which is designed to turn anomaly switching into a scientific process. Soon, a different version of the same approach is to be introduced by taking over the remaining two Concordes still to come off the UK assembly line raising the fleet to seven aircraft, which would allow Brantif to lease an the market leaders W. Green-

well, who are rumoured to be promising a technical break-through at the sbort end of the Braniff is not the only airline sbowing increasing interest in Concorde. Another big U.S. market.

Airlines, is understood to have had prelimioary talks with Outdated techniques

British Airways nn a possible inter-change deal along the lines of that which Braniff bas Two developments have spurred these innovations. The first has been the mounting diffiwith Britisb Airways, while Pan-American is also viewing culty faced by gilt market tech-nicians in pursuing conventional the aircraft more favourably. valuation techniques. Redemption yields and yield curves have for income payments nn the There is now considered to be virtually no chance of any individual airline buying a been unable to cope with the

buge spread of coupons which Concorde outright-partly be-cause of the high initial purchase cost of over \$50m per now afflict the market: redemption yields on stocks with a life for tax reasons, place a different value on income and capital of 20 years (or thereabonts) range from 9.9 tn 13.7 per cent. flows. It is logical that the same British Airways and Air France are capable of undertaking the Attempts to break the market down into segments, according to the size of the coupon, as has been done in the FT-Actuaries the same But because the pat-tern of income - and capital series of gilt-edged indices, have only provided a partial answar. varies for different stocks, the overall value can vary, and so

The second factor was the . can the conventional gross redemption yield. publication last year of a paper on mathematical models of the In fact the de Zoate model gilt-edged market by Mr. Robert works on the basis of present. gittengen market by mr hobert Clarkson, investment manager of the Scottish Mutual. This paper is to be discussed at the Institute of Actuaries en January 22. Long before the stockbrokers came on to the value functions rather than rates of discount, which are not explicitly calculated. It is postulated that there are two functions implied by the overall structure of the gilt-edged market, and these are derived, scene Mr. Clarkson had developed his own computer model for the long end of the from each day's price data-the computer model uses 12 paragilt-edged market. meters to describe the whole of

The need to devise new sointhe market. On the basis of the present value functions, theor tions to the problem of bond etical prices can be computed for all stocks. Then it is just valuations has sent the analysts back to basics. A gilt-edged a question of checking the divergence of actual from security can be viewed as representing a stream of half-yearly coupon payments together withtheoretical prices to arrive at . a final redemption payment on relative cheapness and dear risky, and the appeal of valua-a specific date in the future. ness. These payments, discounted at should add up to the market Complications the appropriate rate of discount, price.

ing at it is to say that the model is not sophisticated enough to reflect all the market's com-

known for quality

plications. One quirk of the UK Government bond market, for instance. is that yields vary according to the level of the coupon. A premium is placed on very lnw conpon stocks by investors looking for capital gains, and a premium is also evident in the highest coupon gilts which are attractive tn income seekers. In between, the medium coupon stocks tend to get neglected. This non-linearity has been incorporated in the Clarkson model used by Scottish Mutual but is not recognised by the de Zoete version.

according to an income rate, according to an interme-yield curve, and for the final redemption payment there is also a specific discount rate (which is generally lower than So fur the de Zoete model to be at all useful the crude deviations have to be refined. This is done by calculating an average deviation for each stock over a recent pariod which represents

the effect of the special factors The sense behind this is that applying in each case—and investors, largely but not wbnlly adjusting the model price. Any deviations that are left should represent fluctuations around the normal market valuation payments on the same day by and therefore imply cheapness different stocks should be worth or dearness.

Percentage game

The results are not, to the casual observer, very exciting. Apart from cases like Conversion 31 per cent, which seems to defy analysis, the deviations are relatively small-as indeed one would expect them to be in an efficient market. Selling a stock which is is per cent dear and exitching into one which is is per cent cheap is not a path to quick riches. Yet it is an objective which is of great interest to institutional fund managers whn all too often find it hard to beat the indices by even small percentages.

Big profits can only be made by taking views on the market as a whole—whether to be in or to be out. But taking a view on the big picture can be very tion models is that they purport to offer very low risk ways of achieving enhanced performance.

Well ... no. The real works, - The snag is that if such

Deals by oilmen boost **Carter's pay guidelines** SY JOHN WYLES IN NEW YORK

STRONG bebind-like-scenes pres- Workers' Union alone, not least to renegotiation at the begin-sure on U.S. oil companies, because the union needed no ning of next year, allied to the relatively weak reminding of its relative weak. Although the renegotiation bargaining power of the union involved, has helped the Carter

Administration win its first success for the President's antiinflation pay guidelines.

allied to the relatively weak reminding of its relative weakthe pay limit would have had virtually no impact on refinery output, which could, and would, have been maintained by super-

visory staff. After a week of increasingly Two other factors belped unveiled at the end of last novious reluctance to push for secure the settlements. In October, a guidelines-busting settlement, response to a union request But officials will be cautious

ness. A national strike against clause will cause some fluttering in the Administration, this will be outweighed by the clear satisfaction of having driven the guidelines through their first major test since they were

leaders of 60,000 oil rennery Gul and Amoco tabled offers about predicting similar success workers have reached pace-sett- for flat rate pay rises lastead with the crucial lorry drivers' ing deals with Gulf Oii and of a percentage increase on negotiations, which start in Slandard Oil-Indiana (Amoco), basic rates. They also offered earnest next week. The agreements are expected a contract re-opening clause at The Teamsters' Union will to he applied by 100 oil com- the end of the first year of the pose a far sterner test than the

to he applied by 100 011 com panles operating 411 plants.

Gulf Oil testified at the week-

two-year contract, which could enable the union to take its members have powers of

to stick close to the guidelines limiting average pay rises to 7 per cent a year. The resulting agreements will been given U.S. Government give the oil workers increases approval under the anti-inflation amounting to 8 per cent in the guidelines to hoost its new car Officials appear to have left first year and 5 per cent in the

prices by an average of 3.9 per the Oil, Chemicai and Atomic second year and will be subject cent.

oil and chemical workers and transfers tn Kitt Green. which now employs -2.650 peopie. Abont £7.5m is to be in-

vested by Helnz at Kitt Green and at its other factory at Hariesden, both of which will take over some lines now being thrned ont at Standish, with the baik of the money being spent in the North.

Continued from Page 1

the past bas been the redemption yield, and the increasing problem bas been that it bas been necessary to use different rates of discount to give sensible answers-even for stocks with exactly the same life to redemp-

Weather

U.K. TODAY

The rate of discount used in infortunately, is never quite a models achieve. simple as that. On one day if they all produce similar last week the de Zoete model results, then the anomalies will was suggesting that Treasury surely disappear like melting 14 per cent, 1982, was 2 per snow. But enthusiasts like Mr. cent too dear, that Treasury Clarkson do not accept this. 61 per cent. 1995-98 was 2 per They argue that there will cent ton cheap, and that War always be enough people operatexactly the same his to redemp-tion. The new concept is that Loan was overvalued that war always be enough people operat-different rates of discount cent. But de Zoele and not view, or switching for tax should be applied to the income pinning their flag to these crude reasons, to make annualies a and capital payments. For each figures. Many stocks, they permanent and potentially pro-half-yearly interest payment argue, are affected by special fitable feature of the gilt-edged there is an appropriate discount factors. Another way of look- market.



State and the

Britain seeks trade agreement with China for up to £15bn

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

tractor at the outset of the huge now, or will be going sbortly, industrialisation programme.

are seen as vital if Britain is substantial progress to be made on a number of contracts under discussion between indus-trialists and Chinese officials.

The Prime Minister bas made lt clear that an industrial package is en essential counterpart to Britain agreeing to let gone to China far discussions China bave the Harrier, and a on its requirements for four commitment will be sought from the Chinese when the Govern-

BRITAIN is hoping to sign a ment mission led by Mr. Varley Harricr, China is looking for trade. agreement with China arrives next month. belp in huilding up its own aero-which could be as high as £15hn Competition from lapan, Ger. space industry, including comfollowing the visit there next many. France, Italy, and month by Mr. Eric Varley, In-dustry Secretary. dustry Secretary. and all these countries have The agreement would cover already had significant success about five years and algual in being awarded large contracts China's desire to nominate by China. Several British Britisb industry as a major con- industry missions are in China

The most advanced dis-The next two years, however, cussions are those heing held by the British Steel. Corporation win a sizeable stake in and Davy Internatiooal, and it China's long-term development is thought that these could lead lt is hoped, therefore, that to heads of agreement being Mr. Varley's visit will enable signed during the Varley visit for the modernisation of two

steel plants, worth £600m. Other areas where Britain is hoping to gain contracts include: from GEC and Northern Engineering industries has just

on its requirements for four coal-burning power stations.

and hauxite.

inquiry that would produce ponents. Britain aiready has a more money later. successful start with the Spey engine being built in China under licence from Rolls-Royce. allow an increase of, say 7 to Non-ferrons metals: A delega-9 per cent for these workers, and for the gowerful unions in tion from Consolidated Gold fields, Selection Trost and Riokey nationalised industries like Tinto Zinc went to China last week to discuss feasihility

coal and electricity. studies for the development of China's resnurces nf copper, manganese, tead, zinc, titanium Cash limits problem Railways: A hig mndernisation and electrification of

By Peter Riddell

China's raliways system is planned. Ships: China has expressed The Government faces con-Ships: China has expressed siderable political and admini-interest in buying ships both strative difficulties if it is forced naval and merchant from to concede pay increases of more toping to gain contracts include:interest in buying ships bothstrative difficulties if it is forced heing assing to concede pay increases of more tional ParPower stations...A detegationnaval and merchant fromto concede pay increases of more tional Parrom GEC and NorthernBritain and a delegation is dueto concede pay increases of more tional ParIndustries has juststortly to discuss this further.sector. This is because of the limits baygone to China fnr discussionsMining and equipment: Thetiming of the fixing of cash for the estin its requirements for fourNational Coal Board has beenlimits and as a result of coangescoal-burning power atationa.studies of two big coal mines.estimates now being introduced.

Cabinet seeks agreement Mr. Denis Healey, the Chansome 1.5m workers in iocal authorities and hospitals are cellor, said last week that the already due for a Phase Four cash limits for 1978-79 would be settlement, the declared aim is based on the Government'a to stick to 5 per cent, and to 5 per cent pay guidelines, appease the undoubted mili- effectively implying a 7 to 8 per North. tancy by setting up a pay cent rise in average earnings.

These assumptions were built into iast November's Treasury Some Ministers are arguing forecasts. They have already in nrivata, however, that a more been reflected in the rate sup-realistic solution whuld be to port grant settlement for the coming financial year-thus affecting local authority manual workers and are now being included in the cash limits for central Government and public

corporations. This rules ont any scope for assessing the going rate for settlemeots in the private sector; and then offering this in the public sector and starting-off with higher adjusted cash limits. A further element of infleri-

hility has been introduced this year because cash limits are heing assimilated with the tradi-tional Parliamentry supply esti-

okers agree Jijii out-oi-court settieme	okers	agree	\$13m	out-of-court settlemen
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BY JOHN MOORE

Bro

ONE OF THE top three U.S. results in April. It is planned insurance brokers, Frank B. to show the item in the group's Hall, is to pay \$13m (£6.5m1 annual accounts in May. to Unigard Mutual Insurance Two Lloyd's brokers, a sub-Company, an American insurance group, following an out-of-court settlement of a major international reinsurance row.

Bnt in a surprise move Hall is to he assisted in its payment to Uuigard by a \$1m (£500,000) contribution from a Lloyd's of London approved insurance brokess. Stewart Wrightson, a subsidiary of the publicly-cupted group Matthews Wright. subsidiary of the publicly-quoted group Matthews Wright-son. รกท.

Bocause for the size of the for the company on the avlation payment which is to be made over five years. Matthews in at a far higher level than Wrightson is likely to make an expected, Unigard found that anununcement to sharebolders reinsurers were reluctant to when it reports preliminary setlle.

contracts.

Legai over the terms and type of con-Two Lloyd's brokers, a subtract, as well as the manner of sidiary of Thomas Nelson Insurance and Oakeley Vaugban, the Philadelphia Manufacturers'

the placing of the business. Hall explained in its last accounts that Unigard had insisted that Mutual Insurance Company, and Hall would be liable, if the reinsurance contract was found a host of other reinsurance specialists were involved in the diapute. It centred on a large number of avlation reinsurance

reinsurance contract was found to be wholty or partially "ineffective." If, Unigard alleged, there was "negligent failure" by Hall in negotiating an "enforceable policy of reinsurance on behalf of Unigard" damages would be sought for \$14m " with interest." Hall rejected the allegations Hall, which produced the original business for Unigard, acted as reinsurance brokers and arranged reinsurance cover and as part of the settlement contracts. But when claims came Unigard has dropped its asser-

tions.

battles followed 3 am meeting at Hall's London from other parties involved in betweeo most of those involved solicitors, Linklaters Paines, as another legal deadline neared.

The case was due to come before a London court five days later. Stewart Wrightson, although

not one of the litigants in the case, bad been mentiooed in the legal pleadings of those iovotved in the dispute. Wrightson had produced a large amount of the initial business in the carly '70s which Unigard damages would be was eventually disputed for sought for \$14m "with interest." Hall through its Los Angeles Hall rejected the aliegations, office. Stewart Smith Haidinger.

An out-of-court settlement gross amount due to Unigard by per cent of Leslie's Lloyd emerged on December 16 at a recovering further amounts interests.

and the actico. iead- Mr. Albert Tabmonsh, Hall'a chairman, said that this was not the first time there had been differences of opinion about tha liability on reinsurance agreements. He added : "Because the solicitors' costs are a bit bigger than my salary or yours, we thought it was practical to settle. I was glad the industry was able to get together and put the matter to bed. • Hall completed its restructuring last week of Lloyd's broker Leslie and Godwin, foilowing its takeover of Leslie last sommer. Wrightson feit that a payment Lioyd's ruling about the control was appropriate. Meanwhile of Lloyd's brokers Rotbschild Hall is boping to reduce the Investment Trust is holding .75

COSSO

London, S.E., Cent. S. England, Midlands Mostly dry with bright intervals, Max: 7C (45F).

E. Anglia, E. N.E. England, S. E. Scotland, Highlands Some sleet or snow dying out. Bright intervals later. Max. 6C

Channel Islands, W. England, Wales, Lakes, Isle of Man, Argyli, Cent. Scotland, Western Islands, N. Ireland Dry, some bright intervals, occasional rain. Coastal drizzle

and fog patches. Max 10C Scottish Islands

Cloudy with occasional sizet or snow. Max 5C (40F1. Outlook: Duli with some rain. Becoming coider and drier later.

BUSINESS CENTRES

mates. This means that the limits bave to be confirmed now for the estimates to be published between nud-February and the begioning of the financial year.

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